



First Surname
Name of Company
First Line of Address
Second Line
Town or City
Country / County
Postcode

Our Ref:
Your Ref:

Day Month Year

Dear Sirs,

Notice of the proposed transfer of the entire insurance and reinsurance business of The Britannia Steam Ship Insurance Association Limited ("Britannia") to The Britannia Steam Ship Insurance Association Europe m.a. ("Britannia Europe")

We are writing to you, as a member club of the International Group of P&I Clubs (the "**International Group**"), to provide you with important details in relation to the proposed transfer of the entire insurance and reinsurance business of Britannia, including all rights and liabilities of Britannia under the International Group Pooling Agreement (the "**Pooling Agreement**") and other outwards reinsurances, to Britannia Europe pursuant to an insurance business transfer scheme under Part VII of the Financial Services and Markets Act 2000 (the "**Scheme**"); the Scheme requires the approval of the High Court of England & Wales (the "**Court**"). Britannia is working in close consultation with the Prudential Regulation Authority (the "**PRA**") and the Financial Conduct Authority (the "**FCA**") who are assessing the proposed transfer and will each provide reports to the Court. The process also requires the appointment of an independent expert to give his opinion on the likely impact of the proposed transfer. Simon Sheaf of Grant Thornton UK LLP (the "**Independent Expert**") has been appointed to act as the independent expert in respect of the Scheme and his appointment has been approved by the PRA in consultation with the FCA. Mr Sheaf's overriding duty is to the Court, not to Britannia or Britannia Europe; he has prepared a report (the "**Scheme Report**") of his considerations and findings for the Court to consider.

Background to the Scheme

The proposed transfer forms part of Britannia's planning in response to the United Kingdom's exit from the European Union which took place on 31 January 2020. Its purpose is both to ensure that following the end of the transition period on 31 December 2020, existing EEA contracts of insurance and reinsurance can continue to be serviced and new EEA insurance business can be written and also to revert to a structure with a single insurer, so saving the operational, compliance and



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THE BRITANNIA STEAM SHIP INSURANCE ASSOCIATION LIMITED
Registered Office: Regis House, 45 King William Street, London EC4R 9AN

Registered in England and Wales No.10340
Authorised by the Prudential Regulation Authority
Regulated by the Financial Conduct Authority and the Prudential Regulation Authority

administrative costs of two insurers and enabling more efficient management of solvency capital requirements.

The Scheme

As part of the Scheme, Britannia proposes to transfer its rights and liabilities under the Pooling Agreement, together with its rights and liabilities under its cell in Hydra, to Britannia Europe, a mutual insurance association registered in Luxembourg and regulated by the Commissariat aux Assurances (the "CAA"). Britannia Europe is currently an Affiliated Association under the Pooling Agreement and a Linked Association of Britannia.

The proposed transfer is subject to necessary legal and regulatory approvals. The Court will only approve the proposed transfer if it considers it appropriate in all the circumstances. If approved, it is expected to take place initially on 20 February 2021, but will only complete in respect of the business administered by Britannia through its branches in Japan, Hong Kong and Singapore once Britannia Europe's corresponding branches in those jurisdictions have obtained all necessary authorisations and approvals.

The proposed transfer will have no impact on the rights and liabilities of the International Group or its members under the Pooling Agreement or in respect of Hydra, or the way those rights and liabilities are administered. The only change to the Pooling Agreement will be to substitute Britannia Europe for Britannia as the Principal Paired Association. Between the commencement and completion of the transfer, rights and liabilities under the Pooling Agreement may be split between Britannia and Britannia Europe, however the Pooling Agreement will continue to apply in the aggregate to Britannia and Britannia Europe so that the International Group members will be no better or worse off pending completion of the transfer.

Pending completion of the proposed transfer, both Britannia and Britannia Europe will continue to be members of the International Group and be Paired Associations for the purposes of the Pooling Agreement but, with effect from 20 February 2021, Britannia Europe will become the Principal Paired Association instead of Britannia. Upon transfer of the business of Britannia's branches in all of Japan, Hong Kong and Singapore to Britannia Europe under the Scheme, Britannia will withdraw from, and cease to be a member of, the International Group.

After completion of the Scheme, any claims or proceedings in connection with the Pooling Agreement shall be continued by or against Britannia Europe; all the assets and reinsurances of Britannia will be available to Britannia Europe to meet the claims and liabilities transferred to it.

Further, as Britannia Europe is authorised and regulated by the CAA 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.

Queries and Objections

The Independent Expert's principal conclusion, as described in the Scheme Report, is that no policyholder or other persons would be materially adversely affected by the Scheme and that there is no reason why it should not proceed.

Any person who believes that they would be adversely affected by the proposed transfer has a right to attend the Court hearing scheduled for 29 January 2021 and make representations, either in

person or by a barrister or solicitor-advocate. 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 before 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.

Any person who objects to, or considers they may be adversely affected by, the Scheme but does not intend to attend the hearing may make representations about the Scheme by giving written notice of such representations to Britannia and Britannia Europe at the address provided below or by calling the dedicated telephone number provided below, in each case as soon as possible and preferably before 22 January 2021. All representations will be provided to the Court at the hearing.

Further Information

Please visit <https://britanniapandi.com/part-vii-transfer/> to find out further information about the proposed 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, the Scheme Report and a summary of the terms of the Scheme and the Scheme 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 Phillippa Smith at Tindall Riley (Britannia) Limited, Regis House, 45 King William Street, London EC4R 9AN or by e-mail to BritanniaPartVII@tindallriley.com.

There is no need to reply to this letter if you have no objection to the Scheme. If you do intend to present any objections to the Scheme, please write to Phillippa Smith at Tindall Riley (Britannia) Limited, Regis House, 45 King William Street, London EC4R 9AN or by e-mail to BritanniaPartVII@tindallriley.com as soon as possible giving the reasons for your objection. Alternatively, please telephone +44 (0)20 7407 3588.

Yours faithfully

Tindall Riley (Britannia) Limited