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Unique Reference / Notification ID: XXXX000000  
August 2020

Dear Member

**Notice of the proposed transfer of certain general insurance business written at The Society of Lloyd's ("Lloyd's") to Lloyd's Insurance Company S.A. ("Lloyd's Brussels")**

The information in this notice and all supporting information referred to is available at [www.lloyds.com/brexittransfer](http://www.lloyds.com/brexittransfer).

This notification has been sent to all open year Members at the address last notified to Lloyd's by those Members. Open year Members are those Members that have underwritten on a year of account of a syndicate or syndicates which has not been closed by 'Reinsurance to Close' ("RITC").

**Background to the proposed transfer**

Lloyd's Members are referred to as "the association of underwriters known as Lloyd's" for the purposes of the EU Solvency II Directive. The directive provides that the "association of underwriters known as Lloyd's" is an authorised EU insurer. This means that a single authorisation covers all Lloyd's Members and Lloyd's was able to apply for and obtain passporting rights for its Members.

Members currently have the right to 'passport' into an EEA member state on freedom of establishment and services basis. As a consequence of the UK's exit from the European Union ("Brexit") on 31 January 2020, current EEA passporting is expected to cease on 31 December 2020. Lloyd's is therefore proposing, on behalf of its Members, to transfer certain policies to a wholly owned EEA based Lloyd's subsidiary, Lloyd's Brussels. The proposed transfer will help ensure policies can be compliantly managed after Brexit including the payment of claims.

Unless specifically excluded, the policies that transfer will be those where all or part of the risk underwritten at Lloyd's is located in an EEA state or where the policyholder is resident in the EEA, such that the policy could not be managed compliantly post Brexit from the UK ("Transferring Policies"). If the proposed transfer does not happen, there can be no certainty that it would be possible to pay claims of this type.

The proposed transfer will not change policy terms and conditions, except that Lloyd's Brussels will become the insurer and Data Controller in respect of Transferring policies. The proposed transfer has been carefully designed to ensure that it will not change how the policies operate, including the terms and liability limits of RITC. Members will see no direct administrative change as a result of the proposed transfer. From the policyholder's perspective, the process for making claims and any payments that may be due in settlement of a valid claim is therefore unaffected by the proposed transfer.

**The Scheme**

The proposed transfer is to be implemented by an insurance business transfer scheme under Part VII of the Financial Services and Markets Act 2000 ("Scheme"). You can find a copy of the Scheme and a summary of the Terms of the Scheme at [www.lloyds.com/brexittransfer/scheme](http://www.lloyds.com/brexittransfer/scheme).

The Members are represented for the purposes of this Scheme by Lloyd's and Lloyd's has authority to act as transferor on behalf of the Members for the purposes of this Scheme.

The proposed transfer requires the approval of the High Court and an independent expert to give his opinion on the likely impact of the proposed transfer. During this process, Lloyd's is working in close consultation with

the Prudential Regulation Authority (“PRA”) and the Financial Conduct Authority (“FCA”), who are assessing the proposed transfer having regard to its objectives. The PRA and FCA will each provide reports on the proposed transfer to the High Court.

The High Court will only approve the proposed transfer if it considers it appropriate in all circumstances. If the proposed transfer is approved by the High Court, the Effective Date for the transfer is expected to be 30 December 2020. On the Effective Date, all Transferring Policies caught by the Scheme and related assets and liabilities will transfer to Lloyd’s Brussels. Any claims or proceedings against the Members, in connection with these Transferring Policies, shall be continued by or against Lloyd’s Brussels.

### **The Independent Expert**

Mr Carmine Papa of PKF Littlejohn LLP has been appointed by Lloyd’s as the independent expert for the proposed transfer (“Independent Expert”). His appointment has been approved by the PRA in the UK, in consultation with the FCA. The Independent Expert has written a report of his considerations and findings for the High Court to consider.

You can see a profile of the Independent Expert, read a copy of his full report and a summary of it at [www.lloyds.com/brexittransfer/independentexpert](http://www.lloyds.com/brexittransfer/independentexpert).

The Independent Expert’s principal conclusion, as described in section 2.18 of his report, is that no policyholder will be materially adversely affected by the proposed transfer.

### **Right to Object**

Any person who believes that they would be adversely affected by the proposed transfer has a right to attend the High Court hearing scheduled for 18 November 2020 and object to the proposed transfer, either in person or by representative. If you, or your representative, plan to attend the High Court hearing, we would ask that you make us aware before 11 November 2020, so that we can keep you informed of any changes to the hearing, such as time or date.

You may also object to the proposed transfer by telephone or in writing to Lloyd’s using the contact details below. We will make a record of your objection and communicate this to the PRA, the FCA, the Independent Expert and the High Court. More information on how to raise any concerns and objections are available at [www.lloyds.com/brexittransfer/viewsofpolicyholders](http://www.lloyds.com/brexittransfer/viewsofpolicyholders).

### **Further information**

Please visit [www.lloyds.com/brexittransfer](http://www.lloyds.com/brexittransfer) to find out further information about the proposed transfer, or to obtain copies of this notification in different languages. You can also contact Lloyd’s Brexit Transfer Team by telephone on **00800 6699 1669** or by email at [enquiries@lloydsbrexittransfer.com](mailto:enquiries@lloydsbrexittransfer.com). For Member enquiries please contact [Business-Operations@lloyds.com](mailto:Business-Operations@lloyds.com) or telephone **01634 392760**.

We recommend that you continue to review the information at [www.lloyds.com/brexittransfer/importantupdates](http://www.lloyds.com/brexittransfer/importantupdates). We will keep it updated as we progress through the transfer process, including details of any changes to Court hearing timings and outcomes. We will also publish a supplementary report of the Independent Expert during November 2020.

The Scheme and the Independent Expert’s report and summaries of each are also available free of charge on request from the contact details above, from our offices in London at the address below and from our offices around the world, the addresses of which can be found at [www.lloyds.com/lloyds-around-the-world](http://www.lloyds.com/lloyds-around-the-world).

**Lloyd’s Legal Department (Brexit Transfer)**  
**The Society of Lloyd’s**  
**Lloyd’s Building**  
**1 Lime Street**  
**London**