

XLICSE BREXIT PLANNING - FAQs

Why is XLICSE moving to Ireland?

Following the result of UK's referendum on EU membership in June 2016, UK delivered its withdrawal notice under Article 50 of the Treaty on the European Union on 29 March 2017. As a result, the UK will leave the EU on 29 March 2019, at the earliest. Because of the continuing uncertainty as to what, if any, agreement will be reached as to arrangements between the UK and the EU after that date, it has been necessary for XLICSE to consider how it will reorganise its legal structure and operations to enable it to continue to write insurance business in the EU after Brexit, on the assumption that no passporting regime or equivalent mechanism allowing XLICSE to carry on EU cross-border business from UK will be available post-Brexit. If the move did not take effect, the impact of Brexit (based on what is known today) would potentially be that XLICSE would not be able to write new business with EU clients nor to continue servicing its back book of EU policies without the risk of being in breach of law or regulation in EU Member states.

How is XLICSE moving to Ireland? Will there be a Part VII transfer?

Because XLICSE is an SE (or Societas Europaea), it can move its incorporation from one EU member state to another. This means that, by following a transfer process set out in EU law, XLICSE will stop being a UK company and become an Irish company. This change will not affect XLICSE's responsibilities under its contracts, including insurance policies. XLICSE will remain a party to those contracts, which will continue in effect in accordance with their terms. As a result, there will be no need for a Part VII transfer.

When is the move happening?

Subject to all necessary regulatory approvals, the transfer is expected to take place in January 2019.

Will the PRA and FCA be involved in regulating XLICSE?

XLICSE will be regulated by the Central Bank of Ireland, which regulates insurers in Ireland. As an Irish-authorized insurer, XLICSE will continue to be required to comply with Solvency II, which is the EU regulatory framework for insurers and reinsurers. XLICSE will continue to be regulated for conduct business rules in the EU Member States in which it does business. This means, for example, that the Financial Conduct Authority (FCA) will continue to apply its conduct of business rules in respect of XLICSE's UK business. XLICSE intends to maintain a UK branch and, after Brexit, intends to apply to the PRA for authorisation of the branch as a branch of a third country insurer.

I'm a UK policyholder, what will happen to my cover?

Your existing cover will remain with XLICSE. XLICSE intends to establish a UK branch under the current EU passporting arrangements. The Central Bank of Ireland will regulate that branch. After Brexit XLICSE will apply to have the branch authorised by the Prudential Regulation Authority (PRA) to enable it to continue to conduct business in the UK. XLICSE intends to meet its commitments to you under existing policies through that UK branch and you can continue to deal with the branch in connection with your policy. New cover will be issued by a sister company within the AXA XL group, XL Catlin Insurance Company UK

Limited (**XLICL**). XLICL is a well-established UK insurer regulated by the PRA and FCA.

Will the move affect the ownership of XLICSE?

The move will not affect the ownership of XLICSE. It will remain a wholly-owned subsidiary within the XL group of companies. Separately, on 12 September 2018 AXA announced the completion of its acquisition of the XL group of companies. This acquisition is wholly unrelated to XLICSE's proposed move to Ireland.

- Who should I contact if I have a claim? Use the same claim contact details that can be found in your existing policy documentation. **There will be no change to the claims process. You will be able to report events or occurrences to XLICSE and make claims in the same way as before.**

Will this affect any claim I may have in the future?

No. The terms and conditions remain the same for existing and new claims.

Who will regulate the Company after the transfer?

Subject to any regulatory approvals, the company is expected to be regulated by the Central Bank of Ireland from January 2019 onwards.

Will I still have access to the Financial Services Compensation Scheme ("FSCS")

Customers with cover provided by XLICSE from its UK establishment

Currently, eligible UK customers of XLICSE have access to the FSCS. To check whether you are eligible to benefit from the FSCS click here: www.fscs.org.uk/what-we-cover.

After the move of XLICSE to Ireland, but before Brexit, there will be no change. Eligible UK customers of XLICSE will still have access to the FSCS. After Brexit, again, there will be no change – we expect eligible UK customers to continue to have access to the FSCS. This is because after the transfer of its registered office to Ireland, XLICSE intends to operate in the UK either through a passported branch or (after Brexit) through a branch authorised by the Prudential Regulation Authority ("PRA"). The FSCS regime will be applicable to eligible UK customers of that branch.

After the transfer, the Irish Insurance Compensation Fund may also be available to protect customers who have taken out policies in relation to risks which are located in Ireland.

Customers with EEA risks

Eligible EU customers of XLICSE will continue to have access to the FSCS until the company transfers its registered office to Ireland.

After the move to Ireland, the FSCS will no longer be available to those customers. Depending where in the EU the insured risk is located there may be a local scheme that applies. Where a scheme is available in an EEA member state it may cover only limited types of insurance (e.g. compulsory motor cover) although some jurisdictions have wider schemes. More information on the availability of national insurance guarantee schemes is contained in the paper prepared by the European Insurance and Occupational Pensions

Authority dated July 2018: https://eiopa.europa.eu/Publications/Consultations/EIOPA-CP-18-003_Discussion_paper_on_resolution_funding%20and.pdf

This position will not change as a result of Brexit.

Will I still have access to the UK's Financial Ombudsman Service ("FOS")?

If you are an eligible UK customer you are currently able to make complaints to the FOS and will continue to be able to do so after the transfer of XLICSE to Ireland. To check whether you are eligible to make a complaint to FOS click here: <https://www.financial-ombudsman.org.uk/>.

If you are an eligible customer in the EU and your policy has been administered or issued from the UK you can currently make complaints to the FOS for acts or omissions by XLICSE. After the transfer to Ireland, as an EU customer you will have access to the Irish Ombudsman complaints regime instead of the FOS or, in certain circumstances, to a local complaints regime. You may approach your local complaints scheme which will refer you, if appropriate, to the Irish Ombudsman complaints regime.

If you are an EU customer whose business was administered or issued outside the UK, you are not currently eligible to make complaints to the FOS. However, your access to any local complaints regime should not be affected by XLICSE's move to Ireland. In addition, you may have access to the Irish Ombudsman complaints regime. To check eligibility to access the Irish ombudsman complaints regime click here: <https://www.fspo.ie/>