

## Endorsement: EU Transition clause (open market)

It is understood and agreed that the following condition is added to the policy:

In the event negotiations between the United Kingdom government and the European Union resolve that any participating (Re) Insurer(s) to the contract are not licensed in the European Economic Area to perform any part of this contract after 29 th March 2019 (Re) Insurer(s) reserve the unilateral right to cancel and replace their proportional share of liability to this policy for such performance with an appropriately licensed insurance entity whose security rating is not less than the security rating of the current (Re) Insurer(s). Nonetheless, in the event a replacement to such appropriate security is not possible, it is agreed:

- i) where possible, any terms of this Contract which conflict with applicable laws or regulations are amended to conform to the minimum requirements of such laws or regulations, failing which;
- ii) such part (which the (Re)Insurer is unable to perform) can be terminated by the (Re)Insurer or the (Re)Insured with effect from the date that the (Re)Insurer is no longer permitted to perform this Contract. Within thirty (30) days of such termination the relevant (Re)Insurer shall return any paid but unearned premium, which shall be calculated as expressly provided in the relevant cancellation or termination provisions of this Contract or, if there are no such cancellation or termination provisions, on a pro-rata basis for the time on risk. Unless otherwise provided, if any claim has been notified under this Contract at or prior to the time and date of termination, the premium shall be deemed to be fully earned and no return shall be due.

All other terms and conditions remain unchanged.