



## [Letter to Transferring Surety Clients]

[Name and address of surety client]

[Date]

Dear [●]

### **IMPORTANT INFORMATION ABOUT YOUR SURETY BOND WITH MARKEL INTERNATIONAL INSURANCE COMPANY LIMITED – PLEASE READ CAREFULLY**

Our records show that a surety bond or bonds has been issued or was previously issued on your behalf by Markel International Insurance Company Limited (“**MIICL**”), a UK (re)insurance company and a member of the Markel group. A claim may also have been made under any such MIICL surety bond.

We are writing to you to inform you that it is proposed that on 29 March 2019, such MIICL surety bond(s) or claim (including any indemnity provided to MIICL) will transfer to Markel Insurance Societas Europaea (“**MISE**”), a (re)insurance company incorporated in Germany which is a member of the same corporate group as MIICL, under the Proposed Transfer (as defined below). MISE is authorised and regulated by the German insurance regulator.

This letter contains important information about the Proposed Transfer, to allow you reasonable time to consider whether you and/or your interested parties may be adversely affected by the Proposed Transfer.

We understand that the surety bond(s) were issued by MIICL on your behalf to one or more third parties, who may be interested in the contents of this letter and our proposals. Please refer to the section labelled ‘**Action Required**’ below, for further information on the steps you should now take upon receipt of this letter.

The Proposed Transfer must be carried out in accordance with the UK Financial Services and Markets Act 2000. This requires us to obtain approval from the High Court of England and Wales (the “**Court**”). It is a legal requirement for us to contact you as part of this process, and should you or any of the third parties referred to above consider that you are adversely affected by the Proposed Transfer, you and/or they are entitled to make representations to the Court and this letter contains information on how to do so.

Following the decision of the UK electorate to vote in favour of leaving the European Union (the “**EU**”), it is necessary for the Markel group to restructure its European operations in order to continue to service our European policyholders after the UK’s withdrawal from the EU and the expiration of any agreed transition period, which, (if agreed) is currently expected to end on 31 December 2020. The Proposed Transfer also ensures that the Markel group will retain access to the European single market, via MISE.

Accordingly, MIICL proposes to transfer to MISE (the “**Proposed Transfer**”) certain general insurance (excluding reinsurance) business written and/or assumed by:

- (i) its active branches in Germany, the Netherlands and Spain (the “**Continental Branches**”), which comprises the entirety of MIICL’s insurance (excluding reinsurance) business in the Continental Branches;

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[www.markelinternational.com](http://www.markelinternational.com)

Registered at the above address. Registered in England number 966670  
Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority

- (ii) its active branch in Ireland, only to the extent that such business wholly or partly relates to a risk or risks situated in the European Economic Area (the “**EEA**”) (other than the United Kingdom); and
- (iii) on a freedom of services basis or otherwise in the UK, only to the extent that such business wholly or partly relates to a risk or risks situated in the EEA (other than the United Kingdom).

The diagram in the “Questions and Answers Booklet” referred to below will assist you in identifying which surety bonds will (in whole or in part) form part of the Proposed Transfer. If you have any queries however, please contact us using the details provided below.

Similarly, if MIICL has issued more than one surety bond on your behalf (one or more of which may form part of the Proposed Transfer and one or more of which may be excluded from the Proposed Transfer), the diagram in the “Questions and Answers Booklet” will help you identify which of such surety bonds will transfer to MISE and which of such surety bonds will remain with MIICL. If you are unsure which of such surety bonds will transfer to MISE and which of such surety bonds will remain with MIICL, please contact us using the details provided below.

If such surety bond or bonds transfer(s) to MISE under the Proposed Transfer any renewals of such surety bond or bonds which fall on or after 29 March 2019 will also be renewed with MISE on the relevant renewal date.

If you have been sent this letter because a claim has been made under a surety bond with MIICL then nothing in this letter should be deemed to be an acknowledgment or acceptance of the validity of that claim or of any liability of MIICL (or, following the Proposed Transfer, MISE) in relation to that claim (and, in particular, any reservation of rights which if issued shall remain fully reserved) or the validity of such surety bond (including where such surety bond has been voided).

**The Proposed Transfer will have no effect on:**

- our obligations to you or any relevant third party;
- the terms and conditions of the surety bond or bonds and any associated indemnity;
- the amount of your premium;
- the duration of the surety bond or bonds;
- the way the surety bond or bonds is administered; or
- any claim which any beneficiary may have made or may make under your surety bond or bonds, including the way any claims any beneficiary has made or may make under your surety bond or bonds are handled.

**How are your interests and those of any beneficiaries being protected?**

The legal approval process for the Proposed Transfer to MISE is designed to help safeguard your and any beneficiaries’ interests.

- The Court must approve the Proposed Transfer for it to go ahead. The Court will consider whether the Proposed Transfer will adversely affect policyholders (including surety bondholders) and whether it is appropriate to approve the Proposed Transfer.

- The Court hearing is due to take place on **28 March 2018** at the **High Court of Justice, 7 Rolls Building, Fetter Lane, London, EC4A 1NL, United Kingdom**.
- You have the right to attend the Court hearing that will consider the Proposed Transfer and to present any objections or concerns that you may have directly, or appoint legal counsel to attend on your behalf. If you want to telephone or write to us rather than appear in person, we will present in writing any objections received from you to the Court on 28 March 2019. If you decide to write to us you are kindly requested to do so as soon as possible and preferably no later than **21 March 2019**.
- Any change to the date of the Court hearing will be announced on our website ([www.markelinternational.com/brexit](http://www.markelinternational.com/brexit)).
- Subject to Court approval, it is expected that policies (including surety bonds and any associated indemnities) will automatically transfer to MISE on **29 March 2019**.
- Any change to the date of the Proposed Transfer will be announced on our website ([www.markelinternational.com/brexit](http://www.markelinternational.com/brexit)).
- An Independent Expert has been appointed to write a report for the Court. He has assessed the impact of the Proposed Transfer and has concluded that it will not materially adversely affect any group of policyholders (including surety bondholders).
- MIICL has consulted closely with its regulators, the Financial Conduct Authority and the Prudential Regulation Authority. The UK regulators are entitled to make their own representations to the Court and we expect them to do so.

### **What should you do?**

Please carefully read the information we have included with this letter.

We have enclosed a booklet containing:

- "Questions and Answers" about the Proposed Transfer;
- a summary of the legal document that sets out the terms of the Proposed Transfer (the "**Scheme Document**");
- a summary of the Independent Expert's report; and
- a copy of a legal notice setting out details of the Court hearing for the Proposed Transfer,  
(the "**Communication Pack**")

### **How to make your views known**

If you are comfortable with the Proposed Transfer and the information contained in and included with this letter, you do not need to take any further action (other than the steps set out in the section below labelled '**Action Required**'). However, should you need any further information or if you have any questions or concerns about the Proposed Transfer or consider that you may be adversely affected then please contact us as soon as possible and preferably no later than **21 March 2019**. You can:

- call the relevant dedicated helplines, free of charge, on:
  - 1) Germany – +49 89 89 08 316 – 50 (open 09:00-17:00 on weekdays);
  - 2) the Netherlands – +31 10 798 1000 (open 08:30-17:00 on weekdays);
  - 3) Spain – +34 91 788 6150 (open 09:00-18:00 Monday-Thursday and 09:00-15:00 on Friday); and
  - 4) the UK and Ireland – +44 345 351 2600 (open 08:00-18:00 on weekdays),

(each of the above opening hours excludes bank holidays and public holidays. Callers outside of these hours will be able to leave a message and request that their call is returned); or

- write to us at:
  - 1) Germany – Markel Insurance, Sophienstrasse 26, 80333 Munich;
  - 2) the Netherlands – Markel, Westerlaan 18, 3016 CK Rotterdam;
  - 3) Spain – Markel Insurance, Plaza Pablo Ruiz Picasso, No 1 Planta 35, Edificio Torre Picasso, 28020 Madrid; and
  - 4) the UK and Ireland – Markel, 20 Fenchurch Street, London, EC3M 3AZ; or
- e-mail us at:
  - 1) Germany – [brexit@markel.de](mailto:brexit@markel.de);
  - 2) the Netherlands – [brexitnetherlands@markelintl.com](mailto:brexitnetherlands@markelintl.com);
  - 3) Spain – [Markel.Espana@markelintl.es](mailto:Markel.Espana@markelintl.es); and
  - 4) the UK and Ireland – [brexit@markelintl.com](mailto:brexit@markelintl.com).

Please note that the dedicated helplines are for enquires about the Proposed Transfer only. If you have any general questions, please call your usual broking contact.

For your convenience, this information is also available on the Markel International website ([www.markelinternational.com/brexit](http://www.markelinternational.com/brexit)), together with full copies of the documents in the Communication Pack, the Scheme Document and the Independent Expert's report. All updates and details about the progress of the Proposed Transfer, including any supplemental Independent Expert's report that may be prepared prior to the Court hearing, will also be posted on this website and will be available from the same address.

### **Action Required**

**We kindly request that you share the contents of this letter and the Communication Pack with any and all persons or entities to whom the surety bond(s) (issued by MIICL) have been made available and who may have a benefit payable under such surety bond(s).** In order to do so, please take one of the following steps:

- if you can provide us with the names and contact details of such persons or entities, we will send them a copy of this letter and the enclosed Communication Pack; or
- if you would prefer to contact such persons or entities yourself, we would be happy to provide you with sufficient copies of this letter and the enclosed Communication Pack and to meet your reasonable postage costs.

Yours sincerely,



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For and on behalf of  
**Markel International Insurance Company Limited**



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For and on behalf of  
**Markel Insurance Societas Europaea**