

## **Proposed transfer of certain European insurance and reinsurance business of**

**Steamship Mutual Underwriting Association Limited ('SMUAL') to**

**Steamship Mutual Underwriting Association (Europe) Limited ('SMUAE')**

### **Frequently Asked Questions (FAQs) for Policyholders/Members/Reinsurers/Brokers or ex-Policyholders/Members/Reinsurers/Brokers**

#### **1. Why is the transfer taking place?**

Steamship Mutual Underwriting Association (Europe) Limited ("SMUAE") was established to allow Steamship to continue to write business within the European Economic Area ('EEA') following the UK's withdrawal from the European Union on 31 January 2020. For the 2020 policy year Steamship policyholders in the EEA, Monaco and Switzerland obtained cover from SMUAE on or after 20 February 2020 when SMUAE began writing insurance business.

Prior to 20 February 2020, such policyholders purchased cover from Steamship Mutual Underwriting Association Limited ("SMUAL"). With the current Brexit transitional arrangements ending on 31 December 2020 there is a risk that SMUAL in the UK will not be able to administer insurance policies which were issued to policyholders in the EEA prior to 20 February 2020. The transfer is designed to ensure that such policies can continue to be administered and that policyholders will continue to receive the high standard of service they expect from Steamship.

The transfer will also include policyholders based in Monaco and Switzerland for operational and governance reasons.

#### **2. What is the impact on my cover and the service provided?**

If you are based in the EEA, Monaco or Switzerland then any cover that was provided by SMUAL prior to 20 February 2020 will transfer to SMUAE.

If you are based in the EEA, Monaco or Switzerland and purchased cover from SMUAE on or after 20 February 2020 then that cover will remain with SMUAE.

Otherwise, your cover will remain with SMUAL.

Your premium and terms of entry will not be affected by the transfer and your Steamship contacts will remain the same. Your claims will continue to be handled by the same teams and in the same way following the transfer.

#### **3. Do I need new Certificates or Blue Cards?**

No. As the transfer covers prior policy years, no new Certificates and Blue Cards are required. Certificates and Blue Cards for the 2020 policy year will have been issued by SMUAL or SMUAE.

#### **4. What is the impact on my rights and obligations?**

All rights, liabilities and obligations which policyholders, reinsurers and other key stakeholders currently have against or to SMUAL will become enforceable against or by SMUAE following the transfer.

#### **5. What about guarantees?**

Any guarantees issued on your behalf will remain in force; you do not need to do anything.

**6. Will there be any change to the Club's reinsurance arrangements?**

Any reinsurance arrangements associated with the transferring policies will transfer to SMUAE and any other reinsurance arrangements will remain with SMUAL. There will be no change to the terms of any reinsurance arrangements other than SMUAE becoming a beneficiary where relevant.

**7. Who will bear the costs of the transfer?**

All costs and expenses of the Scheme shall be borne by SMUAL.

**8. What is the transfer process?**

In order to transfer the European business from SMUAL to SMUAE there will be a court approved process which is a scheme under Part VII of the Financial Services and Markets Act 2000 in the UK. The Court will consider whether the transfer adversely affects policyholders, and other interested parties such as reinsurers, and whether it is appropriate to allow the transfer.

The judge will review the evidence presented by SMUAL and SMUAE and consider the reports of the Independent Expert, the Prudential Regulatory Authority ('PRA') and the Financial Conduct Authority ('FCA'). The Court will hear any objections or concerns put forward (whether in writing, by telephone, or in person) by affected policyholders or any other person who believes that they would be adversely affected by the proposals. The judge must decide whether or not it is appropriate to approve the transfer, taking all of the evidence into account. If the judge does approve the transfer, then a Court Order is made which means the transfer will come into effect at a time specified in the Order.

Further information is set out below and in the relevant documents at <http://www.steamshipmutual.com/About-Us/restructure.htm>.

**9. What is the Independent Expert's role and Report?**

The Independent Expert has been appointed to assess the impact of the proposed Part VII transfer and consider whether any parties are adversely affected to a material extent and provide a report to the High Court of Justice in England.

The Independent Expert's appointment has been approved by the PRA, following consultation with the FCA, and independence is one of the criteria the PRA and FCA use to assess the suitability of the Independent Expert.

The conclusion of the Independent Expert is that:-

- the security provided to policyholders will not be materially adversely affected after the Scheme
- no group of policyholders would be adversely affected to a material extent by the Scheme
- the level of customer service provided to policyholders would be unaffected by the Scheme
- there are also no other parties (e.g. reinsurers) who will be materially adversely affected by the Scheme and that
- therefore, there is no reason why the Scheme should not go ahead.

The full report and summary is available at

<http://www.steamshipmutual.com/About-Us/restructure.htm>.

**10. How are my interests being protected?**

The impact of the transfer on Members/policyholders and other parties has been independently assessed by the Independent Expert in her Report. The PRA and the FCA have reviewed the report and the PRA have approved the form of the report. The transfer proposals have also been subject to review by the PRA and the FCA. The transfer is subject to the approval of the High Court of

Justice in England who will take the opinion of the Independent Expert, the PRA and the FCA as well as any Member/policyholder, or other party, into account.

The Part VII transfer requires the approval of the High Court of Justice in England. You are entitled to appear at the Court hearing and make representations in person and/or to instruct a barrister or solicitor advocate to appear at the hearing and make representations on your behalf and/or to make written representations without appearing at the hearing.

**11. What do I need to do regarding the transfer?**

If you have no objection to the transfer you do not need to do anything.

**12. What if I have concerns about the transfer or want to object to it?**

If you consider that you would be adversely affected by the carrying out of the Scheme, you are entitled to appear at the hearing and make representations in person and/or to instruct a barrister or solicitor advocate to appear at the hearing and make representations on your behalf and/or to make written representations without appearing at the hearing. The application will be heard on 2 December 2020 by a Judge of the Business and Property Courts of the High Court at The Rolls Buildings, 7 Rolls Buildings, Fetter Lane, London EC4A 1NL.

If you do intend to present any objections to the proposed transfer because you believe you would be adversely affected by the Scheme, or you otherwise object to the Scheme, please contact Graham Jones by email at [graham.jones@simsi.com](mailto:graham.jones@simsi.com) or by phone (tel: +44 (0) 207 650 6534) or by post at Steamship Insurance Management Services Limited, Aquatical House, 39 Bell Lane, London E1 7LU, as soon as possible but no later than 20 November 2020 giving your reasons for any objection you may have.

**13. Can I vote on the Part VII Transfer?**

No, the transfer does not require the approval of the Members of SMUAL or SMUAE. However, both SMUAL and SMUAE intend to put the Scheme to their Members by way of a non-binding vote at the Annual General Meeting of each currently scheduled to be held in October 2020.

**14. Where and when will the Court hearing take place?**

The application will be heard on 2 December 2020 by a Judge of the Business and Property Courts of the High Court at The Rolls Buildings, 7 Rolls Buildings, Fetter Lane, London EC4A 1NL.

**15. When will the transfer take effect and how will I know?**

If approved by the High Court, the proposed time and date for the transfer is noon GMT on 20 December 2020. We will update the website following the High Court's decision.

**16. Where can I direct my questions?**

Please contact Graham Jones by phone (tel: +44 (0) 207 650 6534) or by post at Steamship Insurance Management Services Limited, Aquatical House, 39 Bell Lane, London E1 7LU, or by email to [graham.jones@simsi.com](mailto:graham.jones@simsi.com) to discuss any issues arising from this reorganisation.

**17. Where can I get additional information?**

The Steamship Mutual website has further information at <http://www.steamshipmutual.com/About-Us/restructure.htm>.

These FAQs and webpage will be updated from time-to-time.