

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. When is the transfer taking place?

On 2 December 2020 the transfer was sanctioned by the Court and will take place on 20 December 2020.

3. 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.

4. 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.

5. 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.

6. Can I cancel my policy?

If you are based in any of the following countries then you may have the right to cancel your policy as outlined below:

Austria: You may cancel your policy and reclaim premium for the unexpired period (less costs).

Czech Republic: You may cancel your policy within 1 month after notification of the transfer.

France: You may cancel your policy within 1 month of publication of the transfer in Journal Officiel de la Republique Francaise.

Iceland: You may cancel your policy within 1 month of the transfer.

Luxembourg: You may cancel your policy within three months following the publication of the transfer in the "Memorial".

Netherlands: You may cancel your policy within 3 months of publication of the notice of transfer in the Dutch Gazette.

Norway: You may cancel your policy within 4 weeks after notification of the transfer.

Poland: You may cancel your policy within three months of notification of the transfer.

Romania: You may cancel your policy with respect to the unexpired part of such contract.

7. What about guarantees?

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

8. 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.

9. Who will bear the costs of the transfer?

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

10. What is the transfer process?

In order to transfer the European business from SMUAL to SMUAE there has been a court approved process which is a scheme under Part VII of the Financial Services and Markets Act 2000 in the UK. The Court sanctioned the transfer on 2 December 2020 and the Order is available on the website at <http://www.steamshipmutual.com/About-Us/restructure.htm>.

11. 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>.

12. 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 was approved of the High Court of Justice in England and Wales.

13. What do I need to do regarding the transfer?

You do not need to do anything.

14. 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@simsl.com to discuss any issues arising from this reorganisation.

15. 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.