

First Title Insurance plc,
ECA Court,
24-26 South Park,
Sevenoaks,
Kent
TN13 1DU
Call: +44 (0)20 7160 8606
Email: compliance@firsttitle.co.uk
Visit: www.firsttitle.co.uk

Dear Sir/Madam

Transfer of Business as a result of Brexit

Our company records show that your company may have placed business with First Title Insurance plc (**FTI**) in your capacity as a broker, agent or law firm intermediary (**the Introducer**) in relation to policies which relate to risks located within the European Economic Area states (**EEA**) other than the UK (the **Non-UK EEA Placed Business**).

We write to advise you of important changes as a result of the proposed transfer of the Non-UK EEA Placed Business to First European Title Insurance Company Ltd (**FETIC**), a company incorporated in Malta (the **Transfer**). **Please be advised that business which relates to policies or ongoing claims relating to UK based risks are not included within the Transfer.**

At present, the Transfer is undergoing regulatory and legal approval and scrutiny. If approved, the effective date shall be 28 April 2020.

Why is this happening?

The Transfer will take place due to the withdrawal of the United Kingdom from the European Union (**EU**), also known as Brexit. In preparation for the Transfer, **FETIC** has been established within the same group of companies as FTI.

FETIC is authorised and regulated by the Malta Financial Services Authority (**MFSA**), the Maltese insurance regulator. The Transfer of policies and claims from FTI to FETIC will ensure that the non-UK EEA Placed Business can continue to be handled once Brexit has taken place.

Please be advised that if the UK were to withdraw from the EU prior to completion of the Transfer, FTI may not be permitted to handle or make payments for claims which involve Non-UK EEA Placed Business.

How will the Transfer happen?

The Transfer is being implemented under UK law (Part VII of the UK Financial

Services and Markets Act 2000) through an insurance business transfer scheme (the **Scheme**), and a specific process will be followed to sanction the Scheme.

The process is carried out as follows:

- The Transfer requires prior consultations with the Prudential Regulation Authority and the Financial Conduct Authority (the **Regulators**), who will instruct an Independent Expert.
- The Independent Expert will produce a report (the **Report**), summarizing whether the Transfer will adversely affect your clients who may be policyholders of FTI.
- A legal document will be prepared, setting out the terms of the Transfer (the **Scheme Document**)
- Approval is sought from the High Court of England and Wales (the **Court Hearing**) in order to enforce authorization for the Transfer to take place. This will ensure that the Transfer takes place on a set date (the **Transfer Date**). Both the Report, and a separate report from the Regulators will be produced at the Court Hearing.
- Both the Report and the Scheme Document will be used as evidence at the Court Hearing.
- You are eligible to make objections or have complaints heard at the Court Hearing regarding the Transfer, either in person or through representations made by Counsel. Please see further information regarding objections below.

In this case, the Independent Expert has been instructed, and has concluded the security provided to policyholders will not be materially adversely affected by the Proposed Transfer. In addition, no material impact on service standards is expected for Policyholders following the Proposed Transfer.

Please find the summary of the Report enclosed within the **Scheme Booklet**.

The Court Hearing is scheduled to take place on 21 April 2020. Subsequently, the Transfer will take place on 28 April 2020 (the **Transfer Date**).

How will this affect you?

You must ensure that you have read and understood all information contained within this letter to ensure that you are fully aware of the process.

We write specifically to you due to the fact that you may have clients who will be affected by the Transfer by way of their policies or any claims that they have with us. These clients may contact you directly with queries regarding the Scheme, and we therefore want to ensure that you remain fully informed to enable you to confidently deal with such queries.

Please be advised that we have produced similar informative letters to clients who may currently have a live policy or claim with FTI, and have sent these to the addresses that we hold in our database. It is, however, always advisable for you to update your clients accordingly in the event that they may not have received the notice of the Scheme.

It is important to note that the Transfer will not affect the arrangement that you have with your client, other than the fact that any Non-UK EEA Placed Business will transfer from FTI to FETIC. Furthermore, please reassure your clients that the Terms and Conditions, obligations, rights and liabilities in relation to their policies will not be affected by the Transfer, nor will the Transfer have any financial effect on them.

What are the next steps?

Once the Court Hearing has taken place and the Transfer has been approved, the insurance and reinsurance contract/s relating to the non-UK EEA Placed Business will be transferred to FETIC.

Please ensure that you have read all information thoroughly to ensure that you are adequately able to answer any enquiries that your clients may ask.

If you become aware of any clients who have not been given the appropriate information regarding the Transfer, we kindly request that you send a copy of the enclosed Scheme Booklet to them. Alternatively, please pass their contact details to us, so that we can provide full and informative disclosure.

Aside from this, you do not need to take any further action should you not wish to. However, if you have any concerns in respect of the Transfer, or feel that you would be adversely affected, please do not hesitate to contact us in writing at Compliance Department, First Title Insurance plc, ECA Court, 24-26 South Park, Sevenoaks, Kent, United Kingdom, TN13 1DU or telephone us on 0044 (0)207 160 8606 and we will seek to address those concerns in correspondence with you and will notify your concerns to the Regulators, the Independent Expert and the Court. As mentioned above, the Court Hearing is due to take place on 28 April 2020 at The Rolls Building, Fetter Lane, London, EC4A 1NL, should you wish to make representations. Please ensure that any objections have been sent to us by this date.

Contact Details

Should you require further information or have any queries regarding the information contained within this letter, please contact us via the following:

- Email us at compliance@firsttitle.co.uk;
- Write to us at Compliance Department, First Title Insurance plc, ECA Court, 24-26 South Park, Sevenoaks, Kent, United Kingdom, TN13 1DU;
- Speak to us at 0044 (0)207 160 8606.

Please be advised that our opening hours are 09:00-17:00 UK time, Monday to Friday, excluding UK Bank and public holidays.

Should you wish to contact us regarding general matters relating to the business that we have conducted together that does not relate to the Transfer, please continue to use the method that you currently use to make contact with us.

All documentation, including the Report, Scheme Document and Scheme Booklet, is available on the First Title website.

We will keep you informed of any updates by posting them on our website, including the status of the Transfer; you are advised to check the website for any updates.

Yours faithfully,

For and on behalf of

First Title Insurance plc