

NOTICE OF PROPOSED INSURANCE BUSINESS TRANSFER

THE FOLLOWING INFORMATION WILL BE OF INTEREST TO POLICYHOLDERS OR CEDANTS MAKING A CLAIM UNDER AN INSURANCE OR REINSURANCE POLICY ISSUED BY AND REINSURERS OF:

EXCESS INSURANCE COMPANY LIMITED (“Excess”); and/or

HARTFORD FIRE INSURANCE COMPANY, UK BRANCH (“Hart Re”); and/or

AVIVA INSURANCE LIMITED (in relation to certain business originally written by LONDON & EDINBURGH INSURANCE COMPANY LIMITED AND LONDON & EDINBURGH GENERAL INSURANCE COMPANY LIMITED) (“L&E”).

Excess and Hart Re are part of The Hartford Financial Services Group, Inc. (the “**Hartford Group**”), a US-based Fortune 500 insurance and investment group. The Hartford Group also has ultimate financial responsibility in relation to certain insurance liability and reinsurance business written by L&E (now part of Aviva Insurance Limited). The Hartford Group is now proposing to consolidate its UK-based liabilities into a single UK-incorporated, regulated group company, Hartford Financial Products International Limited (“**HFPI**”).

The consolidation will formally take place by way of an insurance business transfer scheme under Part VII of the Financial Services and Markets Act 2000 (the “**Transfer**”).

All of the business being transferred has been in run-off for more than 10 years and has been managed since 1998 by a single UK subsidiary of the Hartford Group, Downlands Liability Management Limited (“**DLM**”). DLM will continue to manage the run-off after the Transfer.

The Transfer will include all corresponding assets, including reinsurance assets, matching the insurance and reinsurance policies to be transferred.

To become effective the Transfer must be approved by the High Court of Justice in England (the “**Court**”). The Court will consider whether the Transfer is fair and whether policyholders’ interests are safeguarded. In doing so, it will take into account the views of the UK financial regulators, the Prudential Regulation Authority (“**PRA**”) and the Financial Conduct Authority (“**FCA**”), as well as the opinion of an Independent Expert, whose appointment has been approved by the PRA and the FCA, and any objections made by interested parties. The Independent Expert has been appointed to consider the effects of the Transfer on policyholders, including policyholder security, and other key stakeholders.

The Independent Expert’s overall conclusion is as follows: *“I conclude that the security provided to policyholders would be equivalent or improved after the Transfer, that no group of policyholders would be adversely affected to a material extent by the Transfer, that the level of customer service provided to policyholders would be unaffected by the Transfer, and that therefore there is no reason that the Transfer should not go ahead.”*

The Court hearing is currently scheduled for 13 October 2015 and, if approved, it is expected that the Transfer will become effective on 15 October 2015.

ACTION REQUIRED

Policyholders, cedants or reinsurers are not required to take any action in relation to the Transfer. If approved by the Court, all policies and claims will automatically transfer to HFPI. There will be no change to any policy terms or the way in which claims are administered and all existing contact details will remain the same.

However, if any party believes that they will be adversely affected by the Transfer, they have the right to make written representation to the Court or be heard at the Court hearing to approve the Transfer (in person or by legal representation). The Court hearing is currently scheduled to take place on 13 October 2015 at the Rolls Building, Royal Courts of Justice, 7 Rolls Buildings, Fetter Lane, London EC4A 1NL, UK. Any person who intends to appear at the Court, or to make representations in writing, is requested to notify the Hartford Group's solicitors, Freshfields Bruckhaus Deringer LLP, as soon as possible and ideally at least 2 days before the Court hearing, at 65 Fleet Street, London, EC4Y 1HS, UK (Ref 138865-0034/GHFS/NAG/LEH). Parties can also call or write to DLM using the contact details set out under "Further information" below. Any representations that are received will be brought to the attention of the PRA, FCA and the Court at the hearing when it decides whether to grant its approval of the Transfer.

FURTHER INFORMATION

Further information about the Transfer, including the full terms of the legal document that gives effect to the Transfer and the full report of the Independent Expert, can be downloaded, free of charge, from the Transfer website at www.downlandsliaability.com or by contacting the DLM helpline on +44(0)1903 836 822, or by email to HartfordPartVII@downlandsliaability.com, or in writing to Roland Jackson, Downlands Liability Management Limited, DLM House, Downlands Business Park, Lyons Way, Worthing, West Sussex BN14 9RX, UK. The helpline will be open between the hours of 9.00 a.m. and 5.30 p.m. from Monday to Friday UK time. When calling the helpline number outside of these hours, please leave a short message stating the nature of your query and your contact details and DLM will endeavour to return your call within 48 hours (excluding Saturdays, Sundays and Bank Holidays). All future updates relating to the Transfer will be posted onto the Transfer website from time to time including any changes to the date of the Court hearing and a copy of any supplemental report prepared by the Independent Expert.