

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
COMPANIES COURT (ChD)

IN THE MATTER OF AGF INSURANCE LIMITED

and

IN THE MATTER OF CATALINA LONDON LIMITED

and

IN THE MATTER OF CATALINA WORTHING INSURANCE LIMITED

and

IN THE MATTER OF PART VII OF THE FINANCIAL SERVICES AND MARKETS ACT 2000

SUMMARY OF THE SCHEME

1 Introduction

- 1.1 Each of AGF Insurance Limited (**AGF**) and Catalina London Limited (**CLL**) (the **Transferors**) proposes to transfer the entirety of the general insurance and reinsurance business (the **Transferring Business**) it has written and/or assumed to Catalina Worthing Insurance Limited (**CWIL**) (the **Transfer**).
- 1.2 The Transfer is proposed to be effected through an insurance business transfer scheme (the **Scheme**). The Scheme will be carried out through the High Court of Justice in England (the **High Court**) in accordance with Part VII of the UK Financial Services and Markets Act 2000 (**FSMA**).
- 1.3 This document sets out a summary of the effect of the Scheme.
- 1.4 This document is only a summary. Full details of the Scheme can be found in the complete version which is available free of charge (please refer to paragraph 5 below for further information).

2 Background to the Transferors and CWIL

- 2.1 AGF is a company incorporated in England and Wales with registered number 00661294. The registered office of AGF is 1 Alie Street, London, England, E1 8DE. AGF is authorised by the Prudential Regulation Authority (**PRA**) (with firm reference number 202733) and regulated by both the PRA and the Financial Conduct Authority (**FCA**).
- 2.2 CLL is a company incorporated in England and Wales with registered number 01531718. The registered office of AGF is 1 Alie Street, London, England, E1 8DE. CLL is authorised by the PRA (with firm reference number 202653) and regulated by both the PRA and the FCA.
- 2.3 CWIL is a company incorporated in England and Wales with registered number 05965916. The registered office of CWIL is 1 Alie Street, London, England, E1 8DE. CWIL is authorised by the PRA (with firm reference number 468832) and regulated by both the PRA and the FCA.

3 Process and Timings of the Scheme

- 3.1 The proposed timings for the Scheme are:

Key Milestones	
High Court hearing	18 November 2022
Proposed effective date (when the Transferring Business will transfer to CWIL) (the Effective Date)	23:59 on 30 November 2022

- 3.2 The Scheme will not go ahead unless the High Court approves it on **18 November 2022**.
- 3.3 The High Court will only approve the Scheme if certain legal requirements are satisfied and if, in all the circumstances, the High Court considers it appropriate to approve the Scheme. In reaching its decision, the High Court will consider the views of the independent expert appointed to write a report for the High Court (the **Independent Expert**), the PRA, the FCA and any person who alleges that they would be adversely affected by the Scheme.
- 3.4 If the High Court imposes any change or conditions to the proposed Scheme, the Scheme will not take effect unless AGF, CLL and CWIL all consent to such change or condition.
- 3.5 If the Scheme has not become effective by the Effective Date (or a later date, if allowed by the Court), the Scheme shall lapse and the Transferring Business shall remain with AGF and CLL.

4 Summary of the Scheme

- 4.1 The following is a summary of the main points of the Scheme. As noted above, the full version of the Scheme document is available free of charge (please refer to paragraph 5 below for further information).
- 4.2 In addition, AGF, CLL and CWIL have prepared a series of policyholder communications, of which this summary forms part, which are available at www.catalinaworthing.co.uk/PartVII.html.

The Effect of the Scheme

- 4.3 As stated above, the Scheme is intended to transfer all of the Transferring Business from the Transferors to CWIL. This will include all of the policies written and/or assumed by the Transferors. It will also include various third party contracts, such as distribution agreements, outsourcing agreements, which relate to the transferring policies.
- 4.4 The Scheme will also, with effect on and from the Effective Date, transfer all rights, benefits and powers conferred on or vested in AGF and/or CLL under reinsurance and retrocessionaire agreements forming part of the Transferring Business (the **Reinsurance Agreements**), as well as all obligations imposed on AGF and/or CLL in respect of the Reinsurance Agreements, subject to the terms of the Scheme as if CWIL had been the party to the relevant Reinsurance Agreement from inception.
- 4.5 The Scheme will be valid and binding on counterparties to contracts notwithstanding any restriction on transfer or assignment contained in any such contracts.

Claims paid by CWIL after the Effective Date

- 4.6 It is intended that, from the Effective Date, all the rights and obligations arising from the Transferring Business will automatically transfer to CWIL and will no longer rest with AGF and/or CLL. This means that CWIL will be responsible for paying all claims and meeting all the other obligations which were previously obligations of AGF and/or CLL in relation to the Transferring Business.

Exceptions

- 4.7 Despite the intention explained in 4.3 above, there may be a small number of policies which fall outside the Scheme. These would be **Residual Policies**, as described in more detail in the full version of the Scheme. Any Residual Policies will transfer to CWIL as soon as possible following the Effective Date.
- 4.8 The Scheme provides for the transfer of all other assets, investments and liabilities of each of AGF and CLL, save that in respect of each of AGF and CLL assets in an amount exceeding the

aggregate of the technical provisions and 140% of the Solvency Capital Requirement ratio will be excluded from the Scheme.

No Changes to Policy Terms and Conditions

- 4.9 There will be no changes to the terms and conditions of the transferring policies, save that the insurer will be CWIL not AGF or CLL.

Policy administration

- 4.10 There will be no change to the arrangements for policy and claims administration as a result of the Transfer (including, in respect of reinsurance, notification of inwards claims, the claims agreement process and the calculation, cession and collection of reinsurance recoveries). Policy and claims administration will continue to be carried out by the same employees of Catalina Services UK Limited or the same outsourced service providers which currently administer policies, save that after the Transfer these activities will be carried out on behalf of CWIL.

Continuity of proceedings or litigation

- 4.11 From the Effective Date, any current proceedings or litigation (or any relevant part thereof) which have been issued, served, commenced, threatened or contemplated by or against AGF and/or CLL in connection with the Transferring Business (or any other claims or complaints which may be brought in the future against CWIL, including those not yet in contemplation) shall be continued by or against CWIL, and CWIL shall be entitled to all defences, claims, counterclaims and rights of set-off that would have been available to AGF and/or CLL.
- 4.12 From the Effective Date, any judgement, settlement, order or award (or relevant part thereof) under current or past proceedings obtained by or against AGF and/or CLL in relation to the Transferring Business shall be enforceable by or against CWIL in place of AGF and/or CLL.

Material changes to the terms and conditions of the Scheme

- 4.13 The Transferors and CWIL may, at any time before the Effective Date, consent to any modification of, or addition to, the Scheme or any further condition or provision affecting the Scheme, which the Court may approve or impose.
- 4.14 After the Scheme has been approved, any material modification or addition to the Scheme must be approved by the Court and must not, in the opinion of the Independent Expert or another independent expert, materially adversely affect the policyholders of the Transferred Policies. The Transferors and CWIL are also required to consult with the PRA and the FCA in advance of making an application for a material modification of, or addition to, the Scheme.

Costs and Expenses

- 4.15 None of the costs and expenses relating to the preparation of the Scheme or High Court process will be borne by policyholders.

5 Further Information

If you have any further questions or require a full version of the Scheme please:

- visit our website at www.catalinaworthing.co.uk/PartVII.html;
- contact us by telephone at +44 1903 836804. When calling the helpline number, please leave a short message stating the nature of your query and your contact details and we will endeavour to return your call within 48 hours (excluding Saturdays, Sundays and public holidays);
- write to us at Part VII Enquiries, Catalina Services UK Limited, 1st Floor, 1 Alie Street, London E1 8DE; or
- e-mail us at: PartVIITransfer@catalinare.com.

If you have any general questions about your policy or claim, please call your usual contact.