

SUMMARY OF THE SCHEME

General

The following is a summary of the *Scheme* for the *Transfer* of the *Policies* of *Zurich* to *Catalina*. Any italicised terms have the meanings given to them in the table of definitions included at the end of this summary.

Nature/scope of the *Scheme*

Subject to the approval of the *Court*, the *Scheme* provides for the *Transfer* of the *Policies* from *Zurich* to *Catalina*, and other matters in relation to the *Transfer* which will arise as a consequence of it. The *Transfer* is to be effected pursuant to Part VII of FSMA.

The final *Court* hearing is scheduled for 25 March 2026 and the *Scheme* is expected to become effective on the *Effective Date*.

Jersey Scheme

As some of the *Policies* were issued as part of insurance business carried on in or from within Jersey, the *Transfer* of the *Jersey Policies* will require the approval of the *Jersey Court* under a separate *Jersey Scheme* and will not transfer until such approval is received. However, it is anticipated that all *Policies*, including the *Jersey Policies*, will transfer at the same time.

As the terms of the *Scheme* and *Jersey Scheme* are similar in nature, where the context allows, this summary of the *Scheme* also constitutes a summary of the terms of the *Jersey Scheme*.

The *Transfer*

On the *Effective Date*, a portfolio of UK employers' liability policies insured by the UK branch of *Zurich* (which were originally issued by *Zurich* and certain of its predecessors prior to 1 January 2007) will be transferred from *Zurich* to *Catalina* and will become part of *Catalina*'s business. *Catalina* will become the insurer of the *Policies* in place of *Zurich* with effect from the *Effective Date*. With effect from the *Effective Date*, *Catalina* will assume responsibility for all of the liabilities in respect of the *Policies* and *Zurich* will be released from all such liabilities.

There may be *Policies* which do not transfer on the *Effective Date*. These *Policies* may include:

- the *Jersey Policies* if the *Jersey Scheme* is not approved by the *Jersey Court* by the *Effective Date*;
- those which are outside the jurisdiction of the *Court* or, in respect of which, the transfer pursuant to an order of the *Court* is not recognised by the laws of other jurisdictions in which policyholders are situated;
- those which *Zurich* and *Catalina* agree that the *Transfer* of which should be delayed; and
- those which cannot be transferred to *Catalina* for any other reason.

It is not envisaged that there will be many (if any) *Policies* that will not transfer on the *Effective Date*, but it is standard practice for the *Scheme* to cater for the potential for certain *Policies* not to transfer on the *Effective Date*. The *Scheme* has a mechanism in place to enable the *Transfer* of any such *Policies* on a subsequent date after the *Effective Date* once any impediments to *Transfer* have been removed or have otherwise been dealt with.

Proceedings

If, on the *Effective Date*, there are any current, future or pending action, legal or administrative proceedings, including judicial, quasi-judicial, administrative, regulatory reviews or process, complaints made to any ombudsman, arbitration, mediation and all other dispute resolutions procedures (whether or not they involve submission to any court) by or against *Zurich* in respect of *Policies*, the same shall be continued by or against *Catalina* following the *Effective Date*.

Administration and claims handling

There will be no variation in the terms and conditions governing the *Policies* other than the fact that *Catalina* will be insuring the *Policies* in place of *Zurich*. *Catalina* will assume overall responsibility for the administration of the *Policies* and claims handling relating to the *Policies* from the *Effective Date*.

Combined policies and reinsurance agreements

In some cases, the *Policies* comprise part of combined liability insurance policies which provide cover against both employers' liability risks and other risks, such as product liability and public liability. Where this is the case, only the employers' liability element of such combined liability policies will be part of the *Transfer*; the other non-employers' liability risks will not be part of the *Transfer* and will remain insured by *Zurich*. The terms and conditions of these combined liability policies will not otherwise be affected and will continue to apply in aggregate against both *Zurich* and *Catalina*, so policyholders will be no better or worse off as a result of the splitting of the relevant combined liability insurance policies.

Certain reinsurance agreements to which *Zurich* is a party (as the reinsured party) that relate to the *Policies* also provide cover for non-employers' liability risks under the combined liability insurance policies described above. Where this is the case, following the *Transfer*, the terms and conditions of such reinsurance agreements will be split between *Zurich* and *Catalina*. To the extent that these reinsurance agreements cover the *Policies*, they will provide cover to *Catalina* following the *Effective Date*, and to the extent that they cover non-employers' liability risks retained by *Zurich* which will not form part of the *Transfer*, they will continue to provide cover to *Zurich* in respect of such risks following the *Effective Date*. The terms and conditions of the relevant reinsurance agreements will not otherwise be affected and will continue to apply in aggregate against both *Zurich* and *Catalina*, so reinsurers will be no better or worse off as a result of the splitting of these reinsurance agreements.

Excluded policies

The *Transfer* will not include any employers' liability policy insured by *Zurich* which was issued on or after 1 January 2007. In addition, the following categories of employers' liability policies insured by *Zurich* and issued before 1 January 2007 will not be included in the *Transfer*:

- policies issued under the Zurich Municipal brand;
- certain Zurich Global Corporate policies which provide employers' liability cover for large corporate businesses;
- certain packaged policies insured by *Zurich*, including policies sold under the 'Tradestar' brand which were directed at specific customers segments and which provided employers' liability cover as part of a packaged combined liability offering; and
- a small number of specified policies.

Modifications or additions

In respect of the *Scheme*, prior to the grant of the order by the *Court*, *Zurich* and *Catalina* together may consent, and agree on behalf of the persons to be bound by the *Scheme*, to any variation of the *Scheme* subject to the *Court's* approval and the provision to the Prudential Regulation Authority and Financial Conduct Authority of advance notice of such variation.

In respect of the *Jersey Scheme*, prior to the grant of the order by the *Jersey Court* in respect of the *Jersey Scheme*, *Zurich* and *Catalina* together may consent, and agree on behalf of the persons to be bound by the *Jersey Scheme*, to any variation of the *Jersey Scheme* subject to the *Jersey Court's* approval and the provision to the Jersey Financial Services Commission of advance notice of such variation.

After the sanction of the *Scheme*, *Zurich* and *Catalina* may apply to the *Court* for consent to amend its terms. If *Catalina* makes such an application: (i) the Prudential Regulation Authority, the Financial Conduct Authority and *FINMA* shall be notified and have the right to be heard at the *Court* hearing; and (ii) *Zurich* and *Catalina* must obtain a certificate from an independent expert confirming their opinion that the proposed variation will not materially and adversely affect the security or reasonable expectations of the policyholders of *Zurich* or *Catalina*. Minor or technical variations will not require the sanction of the *Court*, provided that the Prudential Regulation Authority, the Financial Conduct Authority and *FINMA* have been given notice of the variation and have not objected to it.

Costs and expenses

The costs and expenses of, and incidental to, the *Transfer* of the *Policies* and the *Scheme* will be borne by *Zurich* and *Catalina*.

Governing law

The *Scheme* is governed by the laws of England and Wales and the *Jersey Scheme* is governed by the laws of Jersey.

DEFINITIONS

<i>Catalina</i>	means Catalina Worthing Insurance Limited
<i>Court</i>	means the High Court of England and Wales
<i>Effective Date</i>	means 23:59 on 31 March 2026 or such other time and/or such other date as <i>Zurich</i> and <i>Catalina</i> may agree (being a time and date falling after the grant of the order by the <i>Court</i> approving the <i>Scheme</i> and being no later than 30 June 2026)
<i>FINMA</i>	means the Swiss Financial Market Supervisory Authority
<i>FSMA</i>	means the Financial Services and Markets Act 2000 (as amended)

<i>Jersey Court</i>	means the Royal Court of Jersey
<i>Jersey Policies</i>	means the <i>Policies</i> (or any part of a <i>Policy</i>) comprising insurance business carried on by <i>Zurich</i> in or from within Jersey
<i>Jersey Scheme</i>	means the Scheme regarding the <i>Transfer</i> of the <i>Jersey Policies</i> to be approved by the <i>Jersey Court</i>
<i>Policies</i>	means the portfolio of UK employers' liability policies insured by <i>Zurich</i> and issued before 1 January 2007 excluding the policies referred to in the section of this summary entitled 'Excluded policies'
<i>Scheme</i>	means the Scheme agreed between <i>Zurich</i> and <i>Catalina</i> for the purposes of transferring all <i>Policies</i> pursuant to Part VII of <i>FSMA</i> in its original form or with or subject to any modification, addition or condition which may be approved or imposed by the <i>Court</i>
<i>Transfer</i>	means the transfer of the <i>Policies</i> from <i>Zurich</i> to <i>Catalina</i>
<i>Zurich</i>	Zurich Insurance Company Ltd (acting through its UK branch)