



Frequently asked questions

This section provides further information on the transfer of insurance business from Ageas to Riverstone. The answers are general so, while they are correct for most policyholders, there may be a few exceptions for individual circumstances. If you have any questions that are not covered, please contact us using the details provided.

1. What's happening and why?

1.1 What are the proposed changes?

Ageas Insurance Limited ("**Ageas**") proposes to transfer certain of its general commercial insurance business to RiverStone Insurance (UK) Limited ("**RiverStone**") (the "**Transfer**"). This process, which we refer to in this document as the "**Scheme**", is also known as an insurance business transfer or a Part VII transfer. Please see question 5 for further information about the Scheme process.

1.2 When will the Transfer take place?

If approved by the High Court of England and Wales (the "**Court**"), the Scheme is expected to take effect on Wednesday 1 April 2020. This is referred to as the "**Effective Date**".

1.3 Which policies are transferring?

The general commercial insurance policies forming part of the Transferring Business (which we refer to in this document as the "**Transferring Policies**") comprise a mix of direct and assumed reinsurance policies for marine, non-marine, aviation, property and liability risks. The Transferring Policies include:

- (A) business written by or on behalf of Ageas or its predecessors, or transferred to or assumed by Ageas or its predecessors prior to Thursday 20 December 2018, in each case having an inception date prior to Thursday 31 December 1992; and
- (B) business written by Northern Star Insurance Company Limited or its predecessor entities which was transferred to Ageas in 2000,

and which, in each case, remain in force at the Effective Date (including any policies under which a valid claim may be made at or after the Effective Date).

There are a number of excluded policies which will not transfer to RiverStone:

- (A) policies written by Ageas through the London and Hull Aviation Underwriting Agency between 1972 and 1985 (both dates inclusive);

- (B) policies covering UK employers' liability and motor liability written by Ageas and having an inception date prior to Thursday 31 December 1992;
- (C) a specific Northern Star policy (which is a Periodical Payment Order connected to a motor policy);
- (D) policies where the policyholder is on a sanctions list maintained, at the Effective Date, by the United Nations, the European Union, the US Department of the Treasury, Switzerland (including any relevant governmental body or regulatory body); the Office of Foreign Asset Control; or HM Treasury; and
- (E) any other policies which Ageas and RiverStone agree prior to the Effective Date should not be transferred.

2. Can you give me more information about RiverStone?

RiverStone is a UK company, which was incorporated in 1974 when it commenced underwriting non-life insurance and reinsurance business.

It is a specialist run-off insurance company, authorised by the Prudential Regulation Authority (“**PRA**”) and regulated by the PRA and the Financial Conduct Authority (“**FCA**”).

RiverStone has been in run-off since 1999 and has a diverse portfolio of business including employers' liability, property, casualty, marine, aviation, motor and asbestos pollution and health hazard business. RiverStone specialises in the efficient acquisition of run-off portfolios and has completed more than 20 legacy portfolio acquisitions over the past 15 years, assuming more than £1.9 billion of gross technical provisions during this period.

3. Will there be any changes to my policy?

3.1 What is the effect of the Scheme on my policy?

If you are a policyholder, the Scheme will have no effect on:

- (A) the terms and conditions of your cover;
- (B) the duration of your policy/policies; or
- (C) any claim which you have made (or may make) under your policy/policies.

The Scheme will transfer Ageas's rights and obligations under the Transferring Policies without alteration to RiverStone.

If you hold a Transferring Policy (or if you are entitled to beneficial rights under such a Transferring Policy) you will, from the Effective Date, become entitled to the same rights against RiverStone. These rights against RiverStone will be in place of the rights you had against Ageas. Similarly, you will become liable to account to RiverStone for any further or additional premiums or other sums attributable to your policy as and when they become due and payable.

In practice, this means that the Scheme will change the insurance company against which policy related claims should be brought and which will be responsible for handling such claims – this is relevant both to policyholders and to other persons who may hold beneficial rights under the Transferring Policies.

3.2 How will the Scheme affect the security of my policy?

An Independent Expert has been appointed to consider, among other things, the effect of the Scheme on the security of the Transferring Policies. He has concluded that the Scheme will not materially adversely affect the security of any of the Transferring Policies. He has also concluded that the Scheme will not have an impact on service standards experienced by the policyholders of Ageas. For more information about the Independent Expert, see question 6 below.

A copy of the Independent Expert's report can be found on the dedicated website at www.ageastoriuk.co.uk. A summary of the Independent Expert's report is included with this pack.

3.3 Will the Scheme affect my ability to make any claims or complaints about my policy?

If you have any claims or want to make a complaint in relation to your policy after the Scheme has become effective, you will be able to make that claim or complaint against RiverStone as if it were Ageas. If you have any current, ongoing complaint or claim, this will also transfer to RiverStone.

The Scheme will not have any impact on your access as a policyholder to the Financial Ombudsman Service or your right to receive compensation under the Financial Services Compensation Scheme.

If you want to make a complaint about the Scheme itself, please refer to question 5.5 below.

3.4 How will my interests be protected?

Your interests will be protected throughout this process. In particular:

- we are publishing notices in the press and are writing to you now to inform you of the Scheme process and how you may raise concerns
- the Transfer will be reviewed by an Independent Expert specifically appointed to assess the impact on policyholders
- we are seeking the views of both the PRA and the FCA
- the Transfer will not go ahead unless the Scheme is approved by the Court, which will consider concerns or objections raised by policyholders when making its decision

3.5 I am based in the US – how does the Scheme affect me?

If the Court approves the Scheme, the Scheme will transfer all Transferring Policies from Ageas to RiverStone. If you are a US based policyholder of a Transferring Policy, the Scheme will apply in respect of your Transferring Policy in the same way as for other policyholders. Please see question 3.1 for an explanation of the effect of the Scheme.

3.6 I am based in an EEA jurisdiction – how does the Scheme affect me?

If the Court approves the Scheme, the Scheme will transfer all Transferring Policies from Ageas to RiverStone. Subject to any changes which may result from Brexit, the Court's decision will be recognised in all other EEA jurisdictions (subject to the PRA notifying the regulator in other relevant EEA states and certain rights of the relevant EEA regulators to refuse to consent to the Scheme), and will therefore apply in respect of your Transferring Policy in the same way as for other policyholders. Please see question 3.1 for an explanation of the effect of the Scheme. Please also see question 4.1 for the impact of Brexit on the Scheme.

4. Other questions

4.1 How will Brexit affect the Scheme?

If the Court approves the Scheme, the Scheme will transfer all Transferring Policies from Ageas to RiverStone on the Effective Date. As set out in question 3.6, if you are an EEA-based policyholder of a Transferring Policy, the Scheme will apply in respect of your Transferring Policy in the same way as for other policyholders. It is not currently expected that Brexit will have any effect on the timeline or recognition of the Scheme.

4.2 What impact will the Scheme have on any relevant reinsurance agreements?

The contracts transferring under the Scheme include the whole or part of certain reinsurance contracts protecting the Transferring Business, which will continue in force

with the substitution of RiverStone in place of Ageas, respectively, as the reinsured party, on the terms that applied before the Scheme took effect, to the extent that such reinsurance contracts protect the Transferring Business. The rights and obligations of reinsurers will remain unchanged but will, following the Scheme, be exercisable against or owed to RiverStone to the extent such reinsurance contracts protect the Transferring Business.

The Scheme will be valid and binding on reinsurers notwithstanding, for example, any restriction in a contract on transferring or assigning the contract. The Scheme will be deemed to take effect on the basis that it does not contravene any such restriction and does not give rise to any right to terminate, modify, acquire or claim an interest or right, or to treat an interest or right as being terminated or modified.

4.3 What impact will the Scheme have on any other contracts?

All contracts exclusively related to the Transferring Business will be transferred to RiverStone. The Scheme will be valid and binding on counterparties to these contracts notwithstanding any restriction on transfer or assignment contained in them.

5. More about the Scheme process

5.1 What is the Scheme?

The Scheme is a process under Part VII of the UK's Financial Services and Markets Act 2000 that enables insurance policies to be transferred between two insurers. The insurers involved can either be in the same insurance group or from different corporate groups. A scheme under this statutory process must be approved by the Court before it can take effect. The applicable legislation requires the insurance companies participating in the Scheme to appoint an "**Independent Expert**", approved by the PRA. The Independent Expert considers the impact of the proposed Scheme on the various groups of affected policyholders (including persons entitled to beneficial rights under Transferring Policies) and submits a report to the Court. Any person, including policyholders and those entitled to beneficial rights under Transferring Policies, may make representations to the Court if they consider that they would be adversely affected by the Scheme.

5.2 Is there an opportunity to vote on the proposed Scheme?

For a Part VII transfer process, there is no vote on the proposals. However, if you consider that you may be adversely affected by the Scheme, then you may make representations to the Court. See questions 5.4 to 5.6 below for more information on how to do this. Additionally, you can contact Ageas directly on 0800 597 8118 (UK only) +442380 350264 (Outside UK) or by email to ailtoriuk@ageas.co.uk.

5.3 When and where will the Court hearing take place?

The Court hearing is scheduled for Monday 16 March 2020 at the High Court of England and Wales, 7 Rolls Buildings, Fetter Lane, London EC4A 1NL.

The dedicated website (www.ageastoriuk.co.uk) will be updated to include details of any changes to the proposed hearing date or time. You will be able to check on the above website or by calling 0800 597 8118 (UK only) +442380 350264 (Outside UK) after this date for information about the outcome of the hearing.

5.4 What will happen at the Court hearing?

The Court will consider whether it is appropriate to allow the Scheme to proceed, having regard to all the circumstances. The judge will review the witness statements and evidence provided by Ageas and RiverStone, and consider the reports of the Independent Expert and the PRA and FCA. Time will be allocated to hear any representations made (whether in writing, by telephone or in person) by any person who believes that they would be adversely affected by the Scheme. The judge must decide whether or not it is appropriate to approve the Scheme, taking all of the evidence into account. If the judge approves the Scheme, then a Court Order is made which means the Scheme will come into effect at a time specified in the Court Order.

5.5 Can I make representations to the Court?

If you believe that you would be adversely affected by the Scheme, you have the right to make written representations to the Court and/or appear at the Court hearing in person. You may also choose to appoint legal counsel to attend the Court hearing on your behalf.

While you are not required to inform anyone in advance, if you do intend to make representations (either in writing or by telephone) and/or appear at the hearing (either in person or using legal representation), we would encourage you to please call us on 0800 597 8118 (UK only) +442380 350264 (Outside UK), to write to us at Ageas Insurance, Ageas House, Hampshire Corporate Park, Templars Way, Eastleigh, Hampshire, SO53 3YA (Attention: Head of External Affairs) or to email us at ailloriuk@ageas.co.uk, to inform us of your intention and the reasons.

Any representations relating to the Scheme that are notified to us will be supplied to the Regulators and the Independent Expert and included in the information supplied to the Court.

5.6 What do you mean by “adversely affected”?

Any types of effect on policyholders may be taken into account by the Court. For example, this might include changes to expected benefits, the financial security of the companies involved, or changes to the claims handling and administration of the Transferring Policies.

For each group of persons, including policyholders of Transferring Policies (and those entitled to beneficial rights under such policies), there may be some changes for the better and some for the worse. If there are some changes for the worse, this does not necessarily mean that the Scheme is unfair or unreasonable, as these changes may be outweighed by other benefits, or they might be limited, or may occur only infrequently. The Independent Expert has considered the materiality of any adverse changes based on their size or likelihood of occurring and has provided his conclusions in his report.

5.7 What happens if the Court does not approve the Scheme?

If the proposed Scheme is not approved by the Court, your policy will remain with Ageas. If the Scheme is delayed for any reason then we will inform policyholders of this via the dedicated website. If there is expected to be a protracted delay, or if the Scheme is not approved by the Court, we will also inform policyholders of this via the website.

6. More about the Independent Expert

6.1 Who is the Independent Expert?

The Independent Expert is Simon Sheaf, Partner and Head of General Insurance Actuarial and Risk at Grant Thornton UK LLP. Grant Thornton UK LLP is a member of one of the world's largest professional services networks of independent accounting and consulting firms. Mr Sheaf is a Fellow of the Institute and Faculty of Actuaries and a Fellow of the Society of Actuaries in Ireland with over 25 years' experience within the general insurance industry. Mr Sheaf's wide-ranging experience throughout the insurance and reinsurance industry includes dynamic actuarial and financial modelling, valuations of insurance liabilities, Solvency II, review and design of reinsurance programmes, exit strategies and independent expert and expert witness assignments.

6.2 What is his role?

Mr Sheaf has been appointed to report his opinion on the likely effect of the proposed Scheme on policyholders. His report is impartial, based on a thorough scrutiny of the proposed Scheme and the business of Ageas and RiverStone, each of whom has provided him with access to key staff and private and public information he has requested.

6.3 How do I know he is independent?

The Independent Expert's appointment has been approved by the PRA (following consultation with the FCA), and independence is one of the criteria that was used to assess his suitability. Mr Sheaf's overriding duty of responsibility is to the Court, and not to Ageas or RiverStone. His report must be impartial. We have included a summary of his report within this pack, but you can download a full copy of this report from the dedicated website (www.ageastoriuk.co.uk). If you would like a paper copy sent to you

then please call us on 0800 597 8118 (UK only) +442380 350264 (Outside UK) or email at ailtoriuk@ageas.co.uk.

7. What happens next

7.1 Where can I find out more?

We hope that the information we have provided has helped you to understand the proposed Scheme. Further information has been published on the dedicated website: www.ageastoriuk.co.uk. There you can download a full version of the document setting out the terms of the Scheme (known as the “**Scheme Document**”), the full report of the Independent Expert, and the communications pack.

A dedicated telephone number has been set up for persons who have questions or concerns regarding the proposed Scheme on 0800 597 8118 (UK only) +442380 350264 (Outside UK). This Freephone telephone line is managed by a voicemail service which will be monitored from Monday to Friday (excluding bank holidays) between the hours of 9am to 5pm UK time until the final sanctions hearing on Monday 16 March 2020.

We will also publish on the dedicated website copies of any supplementary reports that the Independent Expert writes before the Court hearing date. These can also be obtained by calling 0800 597 8118 (UK only) +442380 350264 (Outside UK) or emailing ailtoriuk@ageas.co.uk.

If you think you may be adversely affected by the Scheme, please see questions 5.4 to 5.6 or turn to the Legal Notice in this communications pack for information about how to make representations. While you are not required to inform anyone in advance, if you intend to make representations (either in writing or by telephone) and/or appear at the hearing (either in person or using legal representation), we would encourage you to please inform us by telephone on 0800 597 8118 (UK only) +442380 350264 (Outside UK), in writing at Ageas Insurance, Ageas House, Hampshire Corporate Park, Templars Way, Eastleigh, Hampshire, SO53 3YA (Attention: Head of External Affairs) or by email to ailtoriuk@ageas.co.uk, prior to the date of the hearing.

7.2 How will I know if the Scheme has been approved?

We will announce the outcome of the Court process on the dedicated website (www.ageastoriuk.co.uk) following the Court hearing due to be held on Monday 16 March 2020. Any changes or information on the progress of the Scheme will be announced on the website. You should check this website for any changes or updates.

If the application is successful then the Scheme should take place on the Effective Date. You will see the RiverStone brand on communications after this date, and you should contact RiverStone after this date for any enquiries about your policy.