

25 April 2022

Policyholder

Address 1

Address 2

Address 3

Address 4

Address 5

Address 6

TMNF Reference: XXX

Dear Sir/Madam

Proposed transfer of the entire business of the London branch of Tokio Marine & Nichido Fire Insurance Co., Ltd. ("TMNF") to NRG Victory Reinsurance Limited ("NRG")

TMNF was formed in 2004 by the merger of Tokio Marine & Fire Insurance Co., Ltd ("TMF") and Nichido Fire & Marine Insurance Co., Ltd ("NFM").

Our records show that you are the holder (or an appointed representative of the holder) of an insurance or reinsurance policy, which is part of the legacy run-off portfolios of all classes of non-life, marine and non-marine, international business: (i) directly written by the former International Reinsurance Department of TMF for 2000 and prior years; and (ii) written by the former Reinsurance Department and Marine Department of NFM for 2003 and prior years, which was classified as reinsurance business when written and which excludes any aviation business unless incidentally written (the "**Legacy Portfolio**"). The Legacy Portfolio was relocated to TMNF's London Branch (the "**London Branch**") on 1 March 2021, with the exception of a limited number of policies that remain with TMNF in Japan¹.

On 31 December 2014, TMNF entered into a Loss Portfolio Transfer ("**LPT**") reinsurance agreement with National Indemnity Company ("**NICO**"), pursuant to which NICO agreed to provide reinsurance to TMNF in respect of the entirety of the Legacy Portfolio. In addition, NICO's affiliates, Resolute Management Inc. ("**RMI**") and Resolute Management Services Limited ("**RMSL**") have, in accordance with the terms of the LPT, been conducting the day-to-day claims administration for the Legacy Portfolio on behalf of TMNF since 2015.

If you are aware of any other person you believe to be interested in such a policy, please direct them to a copy of this letter and the associated documents available online at https://www.tokiomarine-nichido.co.jp/en/news/2204_uk.html.

The Proposal

It is proposed that the business of the London Branch is transferred to NRG, using an insurance business transfer scheme pursuant to Part VII of the Financial Services and Markets Act 2000 (the "**Scheme**") (the

¹ Policies issued by TMNF to cedants located in North Korea; Cuba; Iran; Syria; and Venezuela were not relocated to the London Branch. Those policies remain with TMNF in Japan and are not included in the Scheme. In addition, policies issued to one cedant located in Russia are also excluded from the Scheme and those policies will remain with TMNF in Japan.

Tokio Marine & Nichido Fire Insurance Co Ltd is a private limited company incorporated in Japan with Registration Number: 0100-01-00024. The Legal Affairs Bureau of the Ministry of Justice. Registered Office at: 2-1 Marunouchi1-Chrome, Chiyoda-ku, Tokyo 100-8050, Japan. A member of the Tokio Marine Group.

Branch registered in England and Wales with branch number BR023462. Branch address: c/o Resolute Management Limited, 4th Floor, 8 Fenchurch Place, London, EC3M 4AJ. Authorised by the Prudential Regulation Authority and regulated by the Prudential Regulation Authority and the Financial Conduct Authority.

"**Proposed Transfer**"). In order to take effect, the Scheme requires approval from the High Court of England and Wales (the "**Court**"). TMNF is consulting with its UK regulators, the Prudential Regulation Authority ("**PRA**") and the Financial Conduct Authority ("**FCA**"), who are assessing the Proposed Transfer.

The transfer process requires the appointment of an independent expert to give an opinion on the likely effects of the Proposed Transfer. The appointment of Christopher Clarke of Milliman LLP as the independent expert (the "**Independent Expert**") has been approved by the PRA (following consultation with the FCA). The Independent Expert's primary duty is to the Court, not to TMNF, NRG or any other party. The Independent Expert has prepared a report of his considerations and findings (the "**Independent Expert Report**") for the benefit of the Court.

A copy of the Scheme, the Independent Expert Report and a summary of those documents are available to view and download at https://www.tokiomarine-nichido.co.jp/en/news/2204_uk.html, which will remain up-to-date with key changes to the Proposed Transfer. Alternatively, you may request copies of these documents free of charge by writing to Mayer Brown International LLP, 201 Bishopsgate, London EC2M 3AF, quoting reference 20454/48520/21680074 or by sending an email to TMNFPart7Transfers@mayerbrown.com.

What does this mean for policyholders

The Court will only approve the Scheme if it considers the Scheme to be appropriate in all the circumstances. If approved by the Court we would expect the transfer to take place on 20 July 2022.

On the Scheme coming into effect, NRG will replace TMNF as the insurer or reinsurer under each transferring policy for which TMNF is currently the insurer or reinsurer. Apart from this, the terms of such policies will not change.

The principal conclusion of the Independent Expert Report is that the Scheme would not adversely affect any cedant or policyholder and that there is no reason why the Scheme should not proceed.

Views of Policyholders

If you believe that the Scheme would adversely affect you, you are entitled to make representations in writing, appear at the hearing and make representations in person and/or instruct a barrister or solicitor advocate to appear at the hearing as your representative. The court hearing is scheduled for 7 July 2022.

If you intend to instruct someone to appear on your behalf, or to appear at the hearing yourself (to make representations rather than simply attending), please give written notice of that intention, setting out the reasons why you believe that the Scheme might have an adverse effect on you. You should send such notices, or make any written representations, to the email and/or postal addresses given below as soon as possible and preferably by close of business on 30 June 2022. We will share any objections and/or representations received before the hearing with the PRA, the FCA and the Court.

You do not need to take any action unless you consider you would be adversely affected by the Proposed Transfer going ahead and wish to object to the transfer.

Further information and contact details

Please visit https://www.tokiomarine-nichido.co.jp/en/news/2204_uk.html for further information about the Proposed Transfer, and we recommend that you continue to review the information at that address as we update it to reflect progress throughout the process and any changes to Court timings, venues or outcomes.

You can contact the solicitors acting for TMNF, Mayer Brown International LLP, for information using the details provided below. Please inform everyone covered under the contract of insurance or reinsurance in respect of which you have received this letter of the proposed transfer.

Email: TMNFPart7Transfers@mayerbrown.com.

Post: 201 Bishopsgate, London, EC2M 3AF, quoting reference 20454/48520/21680074.

Telephone: 0203 130 3000, quoting reference 20454/48520/21680074.

Yours sincerely



Yoichiro Yamaguchi
Branch Manager
Tokio Marine & Nichido Fire Insurance Co., Ltd.
London Branch