



Letter to (EU) Group Policyholders

[On AEL letterhead]

[Insert date]

Dear Sir / Madam,

THIS LETTER AND ITS ENCLOSURES ARE IMPORTANT – PLEASE READ THEM CAREFULLY

We are writing to you because our records show that you are (or have in the past been) the holder of a group insurance policy (**Group Policy**) underwritten by AIG Europe Limited (**AEL**) (i.e. you are a **Group Policyholder**). We are writing to provide you with important details in relation to the proposed transfer of your Group Policy and to request your co-operation and assistance to communicate important details in relation to the proposed transfer to all beneficiaries of your Group Policy (the **Beneficiaries**). Please see below for further information.

What is happening?

We are restructuring AEL in response to the UK's decision to leave the European Union (the **EU**) (commonly known as "Brexit"). We are implementing the restructuring in order to ensure that we can continue to service policyholders in the UK and across Europe after Brexit.

We are proposing to transfer all of our European insurance business, including your Group Policy, to AIG Europe SA (**AIG Europe**) another insurance company within the AIG Group, which is incorporated in Luxembourg and authorised by the Luxembourg Minister of Finance and subject to the supervision of the Commissariat aux Assurances (the **Proposed European Transfer**). The Proposed European Transfer is subject to necessary legal and regulatory approvals. If approved, it is expected to take effect on 1 December 2018.

The Proposed European Transfer will not impact the cover provided by your current Group Policy, your obligations under it, or the way it is administered. Our obligations to you will not change but your Group Policy will transfer from AEL to AIG Europe. Your eligibility for access to the UK's Financial Services Compensation Scheme (FSCS) and Financial Ombudsman Service (FOS) may change and a different regulatory regime will apply to AIG Europe after the transfer. This is described in more detail in the frequently asked questions document (the Q&A) enclosed with this letter.

We have provided details below about how the Proposed European Transfer will occur, what safeguards are in the process for you and your Beneficiaries, where you can find further information and the rights that you have. We would encourage you to read the information provided in this letter and its enclosures carefully so that you can consider the implications of the Proposed European Transfer for you and your Beneficiaries.

Within this letter we have set out some steps we would like you to take in connection with the Proposed European Transfer. Apart from that, there is no need to take any further action in relation to it. However, if you are unsure about the proposals, have any questions, want clarification or think you may be

adversely affected, then we would be happy to assist you further. You also have the right to raise objections with AEL and to make representations to the High Court of England and Wales (in writing or in person), as described below.

How will the Proposed European Transfer happen?

The Proposed European Transfer is to be implemented by a combined insurance business transfer scheme under Part VII of the Financial Services and Markets Act 2000 and a cross border merger under the European Cross Border Merger Directive (2017/1132). This process requires the High Court of England and Wales (the **High Court**) to approve the Proposed European Transfer and an independent expert (the **Independent Expert**) to give his opinion on the likely effect of the transfer on policyholders. The Independent Expert has concluded that policyholders will not be materially adversely affected by the Proposed European Transfer. You can find a summary of the Independent Expert's report in the enclosed scheme booklet (the **Scheme Booklet**).

You can find a summary of the Proposed Transfer in the Scheme Booklet. Further information is also provided in the Q&A document enclosed with this letter. This includes information about why AIG is undertaking the Proposed Transfer, what the Proposed Transfer means for you if your Group Policy covers both UK and European risks and how your eligibility for access to the UK's Financial Services Compensation Scheme and the Financial Ombudsman Service may change.

What safeguards are in the process for you and your Beneficiaries?

As part of the Proposed Transfer, your interests as Group Policyholder, and the interests of all Beneficiaries under your Group Policies as well as of all our policyholders, are being looked after by a thorough review process which is designed to ensure policyholders receive appropriate notice and have a right to have objections heard by the High Court. This review process includes:

- the appointment of an Independent Expert to produce a report for the High Court on the likely impact of the Proposed Transfer on policyholders;
- the ability for you and other interested parties to object or raise any concerns in relation to the Proposed Transfer, either to the High Court or to us, following which the concerns raised will be communicated to the PRA, the FCA, the Independent Expert, and the High Court;
- close consultation with the PRA and the FCA who will also provide a report on the Proposed Transfer to the High Court; and
- the approval of the Proposed Transfer by the High Court.

The High Court will only approve the Proposed Transfer if it considers it appropriate in all the circumstances. If the Proposed Transfer is approved by the High Court, it is expected to take effect on 1 December 2018 and your Group Policy will transfer to AIG Europe from that date.

How the Proposed Transfer affects Beneficiaries under your Group Policy

The Proposed European Transfer will not impact the cover provided to any Beneficiary under your Group Policy or their obligations under it, however, the eligibility of Beneficiaries to access the UK's FSCS and FOS may change and a different regulatory regime will apply to your insurer after the transfer to AIG Europe. This is described in more detail in the Q&A enclosed with this letter. As part of the

Proposed Transfer, in addition to your interests as Group Policyholder, the interests of all Beneficiaries are being looked after by the review process outlined above. All Beneficiaries have the same rights given to a Group Policyholder in respect of the Proposed Transfer.

What should you do next?

Beneficiaries are entitled to receive notice of the Proposed Transfer. We therefore request you, as Group Policyholder, to assist us in notifying all Beneficiaries by following the steps outlined in Appendix 1 to this letter. Please comply with the steps set out in Appendix 1.

You will find enclosed a Scheme Booklet containing further information about the Proposed Transfer and the Frequently Asked Questions document, which we encourage you to read carefully. The Scheme Booklet contains:

- a summary of the Proposed Transfer;
- a summary of the Independent Expert's report; and
- notice of the Proposed Transfer and further information on the High Court hearing.

If you do not have any concerns about the Proposed Transfer, or you do not wish to object to it, no further action is required by you other than to make the notifications set out in Appendix 1 available to all Beneficiaries. The steps we request you to take in order to make the notifications are explained more fully in Appendix 1.

However, if you have concerns regarding the Proposed Transfer and how it may affect you or the Beneficiaries, you have the right to make written representations to the High Court or be heard at the High Court hearing to sanction the Proposed Transfer (in person or by legal representation). The High Court hearing is scheduled to take place on 18 October 2018 at the Rolls Building, Royal Courts of Justice, 7 Rolls Buildings, Fetter Lane, London EC4A 1NL. You may also raise these concerns with us in writing or over the telephone and we will make a record of your concerns and communicate these to the PRA, the FCA, the Independent Expert and the High Court. For details on how you can contact us please see below.

If you are aware of anyone else who has an interest in and/or is entitled to benefits under your Group Policy, such as a joint policyholder, please ensure that they are also given the opportunity to review this letter and the enclosed documents.

Further information

If you would like further information or copies of the Proposed Transfer documents, free of charge, or have any other queries relating to the Proposed Transfer please contact AIG on its dedicated helpline on **[insert phone number]**, or by email to aigbrexit@aig.com, or in writing to AIG Brexit Team, 58 Fenchurch Street, London EC3M 4AB. The helpline will be open between the hours of 9.00am and 5.00pm from Monday to Friday (excluding public holidays). Alternatively, copies of all documents relating to the Proposed Transfer, including the full terms of the Proposed Transfer and the Independent Expert's report can be downloaded from our website set up for the Proposed Transfer at www.aig.com/brexit (the **Scheme Website**). Other languages are also available on the Scheme Website. Updates regarding the Proposed Transfer will be posted onto the Scheme Website from time to time including any changes to the date of the High Court hearing.

If your query or concern does not relate to the Proposed Transfer, but instead relates to normal policy matters such as a claim, renewal or policy administration, please use your usual AIG contact details.

The transfer of the Group Policy will mean that the AIG Group company which controls processing information relating to this policy will change from AEL to AIG Europe. Our use of information otherwise remains unchanged and we will continue to protect it as we have always done. You can find more information about how the AIG Group uses personal information by visiting www.aig.com/globalprivacy.

[[Insert details of EEA country regulation]

In line with the applicable legislation in [*insert country*] and due to the Proposed European Transfer, you are entitled to cancel your insurance policy underwritten with AEL [*insert country*] branch and to receive a proportional part of the premium not used. For this purpose you can submit a written request to [*insert address*], within a month from the publication of the authorisation of the Proposed European Transfer in the [*insert name of local journal/official gazette*].

Please note: if you have more than one policy with AEL, or your Group Policy covers both UK and European risks, you may receive more than one letter and Scheme Booklet.

Yours sincerely,

Chris Newby
Chief Operations Officer
for and on behalf of AIG Europe Limited

Appendix 1 – Notifying Beneficiaries of Group Policies

It is a regulatory requirement to notify all interested parties about the Proposed Transfer, including all Beneficiaries under your Group Policy. AIG therefore requests your co-operation in the delivery of the notification set out below to each of the Beneficiaries under your Group Policy, in accordance with the following guidance:

- i) **Timing:** Please notify Beneficiaries within one month of your receipt of this letter.
- ii) **Notification to be provided to Beneficiaries:** Please use the following language to notify the Beneficiaries:

IMPORTANT INFORMATION ABOUT YOUR POLICY

This e-mail contains important information regarding your [insurance product name] policy, underwritten by AIG Europe Limited (AIG), an insurance company incorporated in the United Kingdom (UK) and regulated by the Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA). As part of AIG's plans for the UK leaving the European Union (commonly known as "Brexit"), the company is undertaking a restructure that will result in all its European business, including your policy, being transferred to AIG Europe S.A. (AIG Europe), another insurance company within the AIG group, incorporated in Luxembourg and regulated by the Commissariat aux Assurances. The proposed transfer is to be sanctioned under Part VII of the Financial Services and Markets Act 2000 and implemented as part of the planned cross-border merger of AIG into AIG Europe. This process requires the High Court of England and Wales to approve the transfer and an independent expert to give his opinion on the effect of the transfer on policyholders. The independent expert has concluded that the scheme will not have a materially adverse impact on policyholders. However, your eligibility to access the UK's Financial Services Compensation Scheme and the Financial Ombudsman Service may change and a different regulatory regime will apply to your insurer after the transfer. This is described in more detail in the Questions and Answers referred to below. Subject to court approval being obtained, the actual transfer is expected to take place on 1 December 2018. Please visit www.aig.com/brexit to view the following important documents and information in relation to the proposed transfer:

- *Covering letter*
- *Scheme booklet (comprising the summary of the scheme and the summary of the independent expert's report)*
- *Questions and Answers*
- *Formal Notice of the Proposed Transfer*

*Please read the information booklet carefully so that you understand how the proposals affect your policy. **No further action is required by you if you do not have concerns about this proposal, or if you do not wish to object to the proposed transfer.** If, however, you think that the proposed transfer could adversely affect you, you have the right to object. Further information and details of how to object, ask questions or seek clarification on any aspect of the proposed transfer are set out in the documents referred to above and at www.aig.com/Brexit.*

For any other queries relating to your [insurance product name], please use your usual [insurance product name] contact point.

- iii) **Notification mechanism:** Group Policyholders should use their usual form of communication when notifying Beneficiaries, such as email, post, or intranet. Please contact us at aigbrexit@aig.com if you have any queries with respect to this process, or if you would like hard copies of the notice for onward distribution to the Beneficiaries.
- iv) **Website notification:** If you have an internal website or intranet please update the relevant web page to show the notification above and direct Beneficiaries to the Scheme Website www.aig.com/Brexit where they can find more information.
- v) Please also consider how this notice can be delivered to Beneficiaries that may not be in regular contact with your firm/organisation, such as those on maternity leave, paternity leave, or long term sick leave.

Beneficiaries may send queries to you directly in response to the above notifications. When this occurs, please direct them to the contact points listed in our 'further information' section above.