

Important Information

Intended transfer of liability insurance policies for architects and engineers from Zurich to DARAG Deutsche Versicherungs- und Rückversicherungs-AG (DARAG)

Your questions answered

The intended transfer

We, Zurich Insurance plc, (**Zurich** or **we**) intend to transfer the portfolio of professional liability insurance policies for architects and engineers, which is described in more detail below, to DARAG Deutsche Versicherungs- und Rückversicherungs-AG (**DARAG**) (the **Transfer**). The Transfer comprises two types of policies: Firstly, policies that expired by 1 October 2017 or for which the cancellation became effective by 1 October 2017. Independently of this cut-off date, all policies concluded exclusively for specific projects (e.g. an insurance policy relating to one specific construction project) (the policies referred to above are hereinafter referred to as the **Insurance Policies**).

We would like to answer any questions you may have about the transfer below.

1. Additional information about the transfer

1.1. Who is DARAG?

DARAG is a Hamburg-based and BaFin authorised insurance company. It is part of an insurance group specialising in acquiring and managing run-off portfolios in the non-life segment. DARAG has been active in this market segment since 2009 and has taken over around 30 portfolios in the meantime. Further information about the DARAG Group can be found on the following website: <https://darag-group.com>.

1.2. How will the Transfer be carried out?

The Transfer will be carried out within the framework of a procedure before the High Court of Ireland that is provided for the transfer of insurance portfolios. Zurich is an insurance company that is incorporated and authorised in Ireland, which conducts business in Germany through a branch registered in Germany. As a result the High Court of Ireland (the **Court**) is responsible for deciding whether the transfer is approved.

1.3. When will the Transfer take place?

If approved by the Court the Transfer will take place on 30 June 2020 (the **Transfer Date**).

1.4. Why are we making the transfer?

Excluding renewals, we have not sold any new Insurance Policies through brokers since 2012, choosing instead to focus on growing our core business. Therefore we propose to transfer the Insurance Policies to DARAG.

1.5. Who is paying for the Transfer?

The cost of the Transfer will be borne by Zurich and DARAG. No costs in respect of the Transfer will be passed on to policyholders.

2. Policyholders

2.1. How will the Transfer affect my insurance policy?

You will continue to have the full cover under your insurance policy (or insurance policies if you have more than one) for the term originally insured. There will be no changes to the terms and conditions except that DARAG will take over the cover under your policy from the Transfer Date.

2.2. The insurance policy has expired so why is the Transfer still relevant to me?

Although most of the Insurance Policies concerned have already expired or been cancelled, you are still entitled to insurance cover for the term originally insured nevertheless. If, for example, you had taken out a corresponding insurance policy for architects for 2011 and a damage event occurs to a structure planned in 2011 as a result of which claims may yet be successfully made, then the insurance policy taken out at that time is effective with respect to this damage in accordance with the originally agreed terms and conditions, even if the policy has expired in the meantime.

2.3. Why is the claims handling now being conducted by Pro and what will happen to the claims handling if the Transfer to DARAG goes ahead?

As a first step DARAG has already taken over the full reinsurance of the portfolio that is to be transferred and in view of this is to also assume responsibility for the claims handling. To this end DARAG has selected Pro InsuranceSolutions GmbH (**Pro**) as its service provider for the claims handling, which will take on the claims handling with effect from 1 April 2020. Up until the Transfer of the portfolio to DARAG, however, Zurich will continue to be ultimately responsible for the handling of the claims and will work together with DARAG and Pro to ensure that they are handled smoothly. After the Transfer of the portfolio to DARAG claims that are covered by your insurance policy will also continue to be processed by Pro (on behalf of DARAG after the Transfer Date). Following the Transfer DARAG, as the insurer, will then be ultimately responsible for the settlement of claims under your insurance policy.

2.4. Will the Transfer affect my relationship with the insurance intermediaries?

No. You will continue to be able to use the services of your insurance intermediary for notifying claims or for contacting DARAG on other matters relating to your insurance policy, as was the case before the Transfer. Your insurance intermediary will act as an intermediary with DARAG and/or Pro instead of Zurich and/or Pro.

2.5. Will I receive updated terms and conditions for my insurance policy?

No. Your existing insurance policy will continue to be valid after the transfer and DARAG will treat it as though it had originally been issued by DARAG. If you would like to receive a copy of your insurance policy after the transfer, please contact Pro (its contact details can be found in section 7 below).

2.6. How will the transfer affect my claim?

The claims handling will be conducted by Pro from 1 April 2020. On the Transfer Date your insurance policy will transfer to DARAG but your claim will continue to be handled by Pro. There will be no interruptions to the claims handling due to the Transfer. You will have the same rights and obligations (e.g. payment of any excess) under your insurance policy after the Transfer.

2.7. Have you informed claimants of the transfer?

Legal advisors acting for claimants have been informed that Pro will be responsible from 1 April 2020 for the claims handling under the Insurance Policies. Pro will continue the claims handling after the Transfer on behalf of DARAG. The Transfer of the Insurance Policies, on the other hand, concerns only the relationship between the policyholders and the insurer. Therefore we have not informed claimants of this Transfer.

2.8. What about the other insurance policies that I have with Zurich?

Only two types of professional indemnity insurance policies for architects and engineers are concerned by the transfer: Firstly, policies that had already expired by 1 October 2017 or had been cancelled with effect as of this date. Independently of this cut-off date, all policies concluded exclusively for specific projects (e.g. an insurance policy relating to one specific construction project). Apart from the portfolio to be transferred to DARAG, however, Zurich will continue to offer professional indemnity insurance policies for architects and engineers via its tied agents (Zurich Exklusivpartner – ZEP). These policies will not be transferred to DARAG. This also applies to insurance policies that you have concluded with Zurich other than professional indemnity insurance for architects and engineers.

2.9. Do I have to take any action?

Unless you want to raise any concerns or object to the transfer you do not have to take any further action.

2.10. What can I do if I have concerns?

If you are concerned that the Transfer may adversely affect you in any way, you can contact us by the following means:

- calling us on +49 (0)221 7715 5075,

writing to us at Zurich Insurance plc, Übertragung von Architekten- und Ingenieurhaftpflichtversicherungspolicen, Zurich Insurance plc NfD, Architektenhaftpflicht, 50427 Köln or

- emailing us at transfer.aue.haftpflicht@zurich.com.

Regardless of whether you have contacted us, you have the right to express your concerns or objections before the Court at the hearing scheduled to take place on 16 June 2020. If you want to express your concerns or objections at the court hearing, please send notice in writing of your intention to do so to A&L Goodbody Solicitors at International Financial Services Centre, North Wall Quay, Dublin 1, Ireland (reference: LM/ADA), to arrive no later than 5pm on 2 June 2020, indicating whether you support or object to the proposed transfer. If you would like to make submissions at the court hearing or rely on evidence, you must file an affidavit with the Court setting out those submissions or the evidence on which you wish to rely before the Court and send a copy of the affidavit to A&L Goodbody at the aforementioned address quoting our reference LM/ADA, to arrive no later than 5pm on 2 June 2020.

3. Protection of interests

3.1. How are my interests being protected?

Your interests as well as the interests of other policyholders are being protected in a number of ways:

- the appointment of an independent actuary (the **Independent Actuary**) to prepare a report on the likely impact of the Transfer on policyholders;
- close consultation with the German and Irish financial services regulators responsible for the supervision of Zurich and DARAG;
- the possibility for you and other policyholders to raise concerns and object to the Transfer; and
- the required approval of the Transfer by the Court.

3.2. Who is the independent actuary?

The Independent Actuary is Jeffrey A. Courchene, Principal and Consulting Actuary in the Insurance and Reinsurance Division of the company Milliman LLP. Mr Courchene has close to 20 years' experience in the insurance industry. He is independent of both Zurich and DARAG.

3.3. What is the role of the Independent Actuary?

The Independent Actuary has prepared a report, which has been submitted to the Court. In the report the actuary explains how, in his opinion, the Transfer will affect the various policyholders of Zurich and DARAG.

The report is available in full (free of charge) on our website at www.zurich.de/transfer-aue-haftpflicht and can also be viewed at the offices of Zurich and DARAG (the address details can be found in section 7 below). You can also request a hardcopy of the report by contacting us using the contact details in section 7 below.

3.4. What is the Independent Actuary's view of the Transfer?

The Independent Actuary has considered the impact of the Transfer on the policyholders whose insurance policies will be transferred to DARAG as well as the impact on the policyholders who will remain with Zurich after the transfer and the impact on DARAG's existing policyholders. The Independent Actuary has concluded that he does not expect any group of policyholders to be materially adversely affected by the Transfer.

3.5. Will the Independent Actuary review the Transfer again?

Yes. The Independent Actuary will prepare a supplementary report in advance of the Irish Court hearing on 16 June 2020. The reason for this supplemental report is to allow the Independent Actuary to review updated financial information, consider any material changes and take into account any objections or concerns raised in relation to the Transfer. The Independent Actuary will then provide in his supplemental report if these objections or concerns materially change his assessment of the likely effect of the proposed Transfer.

A copy of the supplemental report will be made available (free of charge) on our website at www.zurich.de/transfer-aue-haftpflicht and at the offices of Zurich and DARAG (address details are provided in Section 7 below) in advance of the Court hearing on 16 June 2020.

4. The Court hearing

4.1. What has already happened?

We informed the Court on 09 March 2020 of our intention to communicate with policyholders and certain other parties in relation to the Transfer. This communication is part of that process.

4.2. When and where will the Court hearing take place?

The Court hearing to approve the Transfer is scheduled to take place at the High Court of Ireland, Four Courts, Dublin 7, Ireland on 16 June 2020.

4.3. What happens if the date of the court hearing changes?

Any updates regarding Court hearings will be published on our dedicated website www.zurich.de/transfer-aue-haftpflicht.

4.4. How will I know whether the transfer has been approved?

Court approval of the Transfer will be announced on the aforementioned website after the Court hearing. DARAG will also inform transferring policyholders that have open claims or ongoing insurance periods in writing when the Court has approved the transfer.

4.5. What will happen if the Court does not approve the transfer?

If the Court does not approve the transfer you will continue to be insured by Zurich. You will be able to check whether the Transfer has been approved by visiting the website www.zurich.de/transfer-aue-haftpflicht after the court hearing currently scheduled to take place on 16 June 2020.

5. Protection of your personal data

5.1. Why does Zurich have my personal data

Zurich holds your personal data as a data controller in its capacity as the issuer of your policy. Your data is processed by Zurich in order to administer your policy.

5.2. How is my personal data protected?

Both Zurich and DARAG are subject to the General Data Protection Regulation (2016/679) (the **GDPR**) and legislation implementing the GDPR in Ireland and Germany (**Data Protection Laws**). Your personal data will continue to be protected in accordance with Data Protection Laws both before and after the Transfer.

5.3. Can Zurich lawfully transfer my personal data to DARAG?

Following the Transfer, DARAG will become the controller of your personal data. The transfer of your personal data from Zurich to DARAG will therefore be effected by way of an order of the Court (the **Court Order**).

The transfer of your personal data in this manner amounts to processing of your personal data by Zurich under the GDPR. Article 6(1)(c) of the GDPR provides that processing is lawful where it is necessary to comply with a legal obligation to which the data controller is subject. The Court Order will approve the transfer of all records including all personal data relating to policyholders. Zurich will have an obligation to adhere to the terms of the Court Order and accordingly has a legal basis to proceed with the Transfer and the related processing of personal data.

6. Further information

6.1. Who do I contact about my insurance policy once the Transfer has been completed?

You should contact your insurance intermediary or Pro. Pro can be contacted using the contact details in section 7 below.

6.2. Where can I find further information about the transfer?

Further information and documentation is available to view or download on our website (free of charge). If you cannot access the website, we will provide you with hard copies of the documentation on our website free of charge upon request. You may also inspect these documents at the offices of Zurich in Germany and Ireland as well those of DARAG (see section 7 below for details).

6.3. Can I get information and documentation in other formats?

If you would like information and documentation in relation to the Transfer in large print, in braille or on a CD please call us on +49 (0)221 7715 5076.

7. Contact details

Zurich: Postal address: Zurich Insurance plc NfD,
Architektenhaftpflicht
50427 Köln

Tel.: +49 (0)221 7715 5075

Email: transfer.aue.haftpflicht@zurich.com

Website: www.zurich.de/transfer-aue-haftpflicht

DARAG: Postal address: DARAG Deutsche Versicherungs- und Rückversicherungs-
AG,
Hermannstraße 15
20095 Hamburg

Tel.: +49 (0) 40 300928267

Email: questions@darag-group.com

Website: www.darag-group.com/claims/zurich_scheme_documents

Pro: Postal address: Pro InsuranceSolutions GmbH,
Hohenzollernring 14,
50672 Köln

Tel.: +49 (0) 221 499380-70

Email: Architektenhaftpflicht_Zurich@pro-global.com