

**Proposed Part VII Transfer of
certain general commercial lines
insurance business from U K
Insurance Limited to Intact
Insurance UK Limited**

Frequently Asked Questions

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Proposed Part VII Transfer of certain general commercial lines insurance business from U K Insurance Limited to Intact Insurance UK Limited

This guide is primarily for policyholders who have a policy that is part of the proposed Transfer, and for other parties with an interest in the proposed Transfer. The guide provides you with the key facts relating to the Transfer.

1. Why are we informing you?

Policyholder protection is paramount and, as part of the legal process, notification to policyholders, claimants and other key stakeholders is required. The manner in which communications are being issued, in relation to the formal notification of the Transfer, has been discussed with our regulators (the FCA and the PRA, and in Jersey, the JFSC) who have no objection to this approach.

It is important that you read and understand the information in this Frequently Asked Questions document (**FAQs**). Once you have done so, please consider whether you may be adversely affected by the proposed Transfer or have any concerns with it. If you are satisfied with the proposed Transfer, you do not need to do anything further. If you have concerns or consider you may be adversely affected or wish to object to the proposed Transfer, your options are set out in the answer to question 18 of this document. If you would like further information, please contact us directly as shown below.

The proposed Transfer will not impact the terms and conditions of your policy.

This document is intended as a guide only and not a definitive statement of your rights.

2. How to Contact Us

Email: queries@partvii.uk-insurance.co.uk

Post: Part VII Mailbox, Bromley Processing Centre, Churchill Court, Westmoreland Road, Kent, BR1 1DP

Phone: 03452460379 when calling from the United Kingdom and +44 3452 460379 when calling from abroad (Monday to Friday, 09:00 – 17:00)

Further information is available on our website: <https://u-k-insurance.co.uk/nig/part-vii-information.html>

If you need this information in a different format such as large print, Braille, or audio, please contact us and we will be happy to provide it.

3. What has happened so far

We have appointed an Independent Expert to review the proposed Transfer. The Independent Expert has considered all relevant information and provided an expert opinion on the potential impact of the Transfer. Both regulators, the FCA and the PRA, have reviewed and commented on the Independent Expert's findings and assessed the impact of the proposed Transfer. In Jersey, the JFSC has also considered the proposed Transfer.

Following this, all parties attended a court hearing, known as the Directions Hearing. The relevant court has now instructed us to inform you, as a policyholder, about the proposed Transfer. The expected timetable below outlines the next stages in this process.

4. Expected Timetable

The proposed Transfer is expected to take place in accordance with the following timetable:

Key Step	Date*
Final Court Hearing to consider the proposed Transfer	25 February 2026
Court Hearing (Royal Court of Jersey)	10am on 5 March 2026
Proposed date on which the Scheme becomes effective ("Scheme Effective Date")	1 April 2026

* Dates may change. Any update will be published on our website <https://u-k-insurance.co.uk/nig/part-vii-information.html> and on the website of IIUK at: <https://www.intactinsurance.co.uk/intactuki-partvii-transfer>

Definitions

In this document:

- **Courts** means the High Court of Justice of England and Wales (the **UK Court**) and, where relevant, the Royal Court of Jersey.
- **DLG** means Direct Line Insurance Group plc
- **FCA** means the Financial Conduct Authority.
- **FSMA** means The Financial Services and Markets Act 2000.
- **IIUK** means Intact Insurance UK Limited (formerly known as Royal & Sun Alliance Insurance Limited).
- **Intact** means Intact Financial Corporation, the ultimate Canadian-based parent company of IIUK.
- **Independent Expert** means an experienced actuary (independent of DLG and IIUK) appointed to provide a detailed independent report to the Court on the proposed Transfer and the likely effect of it on our customers and the existing customers of IIUK.
- **JFSC** means the Jersey Financial Services Commission.
- **PRA** means the Prudential Regulation Authority.
- **Report** means the independent report produced by the Independent Expert under Part VII of FSMA for the Court on the proposed transfer, assessing the likely effect of the proposed transfer on our customers and the existing customers of IIUK.
- **Scheme** means the insurance business transfer scheme under Part VII of FSMA and, where relevant, the corresponding Jersey scheme under the Insurance Business (Jersey) Law 1996 whereby certain general commercial lines insurance policies of UKI are proposed to transfer to IIUK.
- **Supplemental Report** means the supplementary independent report produced by the Independent Expert under Part VII of FSMA for the Court on the proposed transfer, following the policyholder notification process, taking into account any objections received from our customers and the existing customers of IIUK, and assessing the likely effect of the proposed transfer.
- **Transfer** means the proposed transfer of insurance business under the Scheme.
- **Transfer Date** means 00:01 a.m. on 1 April 2026, or such other date as the Court may order.
- **UKI** means U K Insurance Limited, which is part of the DLG group which was taken over by Aviva plc in July 2025.

A. KEY INFORMATION

1. Background

In September 2023, certain entities of the Direct Line Group (which is now part of the Aviva group as of July 2025) and IIUK entered into an agreement for the sale of DLG's brokered commercial insurance business to IIUK. As part of the sale, it has been agreed that certain general commercial lines insurance policies of UKI (a subsidiary of DLG) including policies under the "NIG" and "FarmWeb" brands be transferred to IIUK through the Scheme under Part VII of FSMA. For a small number of policies forming part of the business carried on in or from within Jersey, there will also be an equivalent transfer scheme in Jersey under the Insurance Business (Jersey) Law 1996. We have provided more details on the policies in scope of the proposed Transfer in the answer to question 1 in Section B below.

The legal process to effect the Transfer (see question 12 in Section B below) requires the appointment of an Independent Expert (who is not an employee of DLG or IIUK and their associated entities) to report on the likely effects of the proposed Transfer on the policyholders of DLG and IIUK. Stewart Mitchell, a partner of Lane Clark & Peacock LLP, has been appointed as the Independent Expert for this Transfer and reports to the Courts. The PRA (in consultation with the FCA) has approved this appointment.

The Independent Expert's report considers in detail the effects of the proposed Transfer on all policyholders and sets out how each conclusion has been reached. In the Report, the Independent Expert has concluded that:

- *"the security provided to Non-transferring Policyholders¹ will not be materially adversely affected by the Proposed Transfer². No material impact on service standards is expected for Non-transferring Policyholders following the Proposed Transfer.*
- *the security provided to Transferring Policyholders³ will not be materially adversely affected by the Proposed Transfer. No material impact on service standards is expected for Transferring Policyholders following the Proposed Transfer.*

¹ means policyholders of UKI where no part of their policy will transfer and who will remain with UKI after the Proposed Transfer.

² means the proposed insurance business transfer from UKI to IIUK

³ means UKI policyholders whose policies relating to the Transferring Business will transfer to IIUK.

- *the security provided to Existing Policyholders⁴ will not be materially adversely affected by the Proposed Transfer. No material impact on service standards is expected for Existing Policyholders following the Proposed Transfer.*
- *Reinsurers of UKI who provide cover for the Transferring Business will not be materially adversely affected by the Proposed Transfer.”*

The conclusions of the Independent Expert in relation to the Scheme are summarised in the Summary Of The Independent Expert’s Report which is available on our website, <https://uk-insurance.co.uk/nig/part-vii-information.html> and these conclusions apply equally to the proposed Transfer in Jersey.

2. Effect of the Proposed Transfer on UKI’s policies

Subject to the approval of the Courts, the brokered commercial lines insurance policies which UKI is proposing to transfer will be transferred to IIUK and with immediate effect from the Transfer Date, IIUK will be the insurer responsible for those commercial lines insurance policies.

The terms and conditions of the transferred policies issued by UKI will not change in any other respect as a result of the proposed Transfer.

3. Further Information

Further information can be found in Section B below which sets out answers to certain FAQs.

⁴ means policyholders of IIUK prior to the Proposed Transfer who will remain policyholders with IIUK after the Proposed Transfer.

B. QUESTIONS & ANSWERS

I. Impact on Your Policy

1. How is my policy affected?

The policies in scope of the Transfer are brokered commercial lines policies underwritten by UKI (including policies issued under the NIG and FarmWeb brands, as well as certain broker-branded wordings supported by UKI capacity) on or after 1 October 2022, together with a small number of single-project, multi-year policies inceptioned before 1 October 2022 which were still live on 1 October 2023.

If the Courts approve the Transfer, on the Transfer Date, your policy will be transferred to IIUK who will become responsible for the administration and all obligations regarding your policy (for example, paying any claims). Other than a change in the policy provider, the terms and conditions of your policy will not change as a result of the proposed Transfer.

The Independent Expert has reviewed the proposed Transfer and concluded that he is satisfied that the Transfer will not have a material adverse effect on the financial security or service standard applicable to the transferring policyholders.

It is possible that there may be other parties with an interest under your policy or policies with UKI (for example, joint holders, assignees or insured subsidiaries or affiliates or employees under an employer's liability policy). If you believe that any other party may be affected by the Transfer of any of your policies, it is important you let them know about these proposals (or please contact us and we can notify them so far as possible).

IIUK will become the provider of your policy (or your policies) and be responsible for administering and handling any claims. There will be no changes to your cover, no need to notify IIUK separately, and your rights under the policy will continue in full. The contact details to make a claim under your policy (including the phone number) will not change because of the Transfer, unless you are advised otherwise by IIUK in the future.

Your personal data will also transfer to IIUK so that they can continue to administer your policy and handle any claims. This will be done in compliance with applicable data protection laws. You do not need to take any action for this to happen.

Policyholders should continue to contact their usual contact or their current broker, or other intermediary, for any policy or claim related queries in the usual way.

The full terms of the proposed Transfer are set out in the Scheme and are subject to Court approval. The Scheme and a summary of the terms of the Scheme are available on our website, <https://u-k-insurance.co.uk/nig/part-vii-information.html>

2. If my policy is no longer live, why have I received this letter?

Most of the policies included in the Transfer have already expired. However, even if your policy has come to an end, you may still have rights under it. For example, you may be entitled to make a claim for incidents that occurred during the period of cover, such as claims under employers' liability policies which can arise many years after the policy has expired.

From the Transfer Date, IIUK will become responsible for administering these rights and for handling any claims made under your policy, whether your policy is currently active or has expired.

3. Is my policy live?

The vast majority of the policies in scope of the proposed Transfer have already expired, except for a number of single project, multi-year policies that remain in force. If you are the holder of one of these policies, it shall continue to operate on the same terms and conditions until its scheduled expiry.

4. What if I'm currently claiming on my policy?

All new and outstanding claims and correspondence relating to claims held by UKI will be transferred to IIUK on the Transfer Date. IIUK will become responsible for responding to all such claims from the Transfer Date.

5. What if I have more than one policy with UKI?

If you have more than one policy with UKI, it is possible that not all of your policies will fall within the scope of the proposed Transfer to IIUK. Policies which do not transfer, will remain with UKI and there will be no change to the terms and conditions or the way UKI administers those policies. Only those policies within the scope of the Transfer are affected. More details on the scope of the transferring policies is set out above. If you are in doubt, you can contact UKI (see page 4 for contact details).

6. Policies with Coinsurance

Some policies are provided under co-insurance arrangements. This means that your policy may be insured by more than one insurer, with one insurer acting as the "lead" and others as the "follow". If your policy is under a co-insurance arrangement, IIUK will become the lead or follow insurer for your policy and will be responsible for administering your policy and handling any claims in line with your existing policy terms. There will be no changes to your cover, no need to notify IIUK separately, and your rights under the policy will continue in full. The contact details to make a claim under your policy (including the phone number) will not change as a result of the Transfer, unless you are advised otherwise by IIUK in the future.

II. What the Transfer Involves

7. What is being proposed?

UKI is proposing to transfer certain brokered commercial lines insurance policies to IIUK through a Part VII Transfer under the Scheme.

“*Part VII Transfer*” refers to a transfer of insurance business under Part VII of FSMA. It is a statutory scheme whereby the liabilities of one insurer and corresponding assets are transferred to another entity. The process that must be followed is stringent to ensure that policyholders (and other interested parties) are protected.

In order to take effect, the proposed Transfer requires the approval of the Court. In considering a Part VII Transfer, the Court will take into account the views of the PRA, the FCA and the Independent Expert, whose appointment must be approved by the PRA (in consultation with the FCA), and any objections made by affected parties.

For business carried on in or from within Jersey, a corresponding scheme will be carried out under Jersey law. The Jersey scheme is required to be approved by the Royal Court of Jersey. In considering the Jersey scheme, the Royal Court of Jersey will also take into account the views of the JFSC, the Independent Expert, and any objections made by affected parties.

Subject to Court approval, the High Court Hearing is expected to take place on 25 February 2026 and the hearing in the Royal Court of Jersey is expected to take place at 10am on 5 March 2026. The Transfer is then expected to take effect at 00:01 (GMT) on 1 April 2026 (the **Transfer Date**).

8. Why is DLG selling its brokered commercial lines insurance business?

The policies included in the proposed Transfer were originally issued through brokers under the “NIG” and “FarmWeb” brands or certain broker brands. They form part of a portfolio that is no longer central to UKI’s current focus on personal lines and directly underwritten commercial insurance.

Transferring these policies to IIUK will ensure they continue to be supported by an insurer with the scale and capability to service them over the long term.

9. Are all of UKI’s policies Transferring to IIUK?

No. Only brokered commercial lines insurance business is in scope of the Transfer. Personal lines and other commercial lines written directly by UKI will remain unaffected.

Additionally, any policy written by UKI prior to 1 October 2022 (aside from a very limited number of single project multi-year policies incepted before 1 October 2022 which were live as at 1 October 2023) are not in scope of the Transfer. These out-of-scope policies will remain the responsibility of UKI and will continue to be serviced by UKI.

10. What is the Scheme document?

The Scheme document is a legal document setting out the terms on which the transfer of business from UKI (i.e. UKI's NIG-branded and Farmweb-branded policies) and some broker branded policies to IIUK is proposed to take effect. The full terms of the proposed Transfer are set out in the Scheme and are subject to Court approval.

A full copy of the UK and Jersey Scheme documents can be downloaded from the UKI website: <https://u-k-insurance.co.uk/nig/part-vii-information.html> and from the IIUK website: <https://www.intactinsurance.co.uk/intactuki-partvii-transfer>

11. Can you give me more information on IIUK?

IIUK (formerly known as Royal & Sun Alliance Insurance Limited or RSA) is a UK insurance company and authorised as an insurer by the PRA and regulated by the FCA and the PRA, and in Jersey, by the JFSC.

IIUK offers a range of insurance products including commercial lines insurance and specialty commercial lines insurance. More details can be found on its website at <https://www.intactinsurance.co.uk> (please see the "Part VII Transfer" icon on the home page) including details of the wider Intact group that IIUK belongs to.

You may contact IIUK by:

- Calling on 0330 041 3799 or +44 330 041 3799 (if calling from overseas) from Monday to Friday during usual business hours (09.00 to 17.00);
- Emailing DLtransferqueries@intactinsurance.co.uk Referencing 'Part VII Transfer'; or
- Writing to Intact Insurance UK Limited (REF: PART VII TRANSFER), The Capital Building, 39 Old Hall Street, Liverpool, L3 9PP

III. Process and Court Hearings

12. How will the Transfer be carried out?

The Transfer will be carried out using a Scheme under Part VII of FSMA. This allows for insurance business to be transferred from one company to another with Court approval. Where policies are part of the business carried on in or from within Jersey, a corresponding scheme will be carried out under Jersey law and approved by the Royal Court of Jersey.

The Court hearings to consider the proposed Transfer are expected to take place for the UK at the Rolls Building on 25 February 2026 and for Jersey at the Royal Court of Jersey at 10am on 5 March 2026. These dates are subject to change. Any updates in this regard (particularly any changes in the hearing date) will be published on our website <https://u-k-insurance.co.uk/nig/part-vii-information.html> and also on the website of IIUK at <https://www.intactinsurance.co.uk/intactuki-partvii-transfer>

You may attend the Court hearings and express your views in person or via a representative. Please note that if you wish to be represented by legal counsel at the UK Court hearing then he or she would need to have appropriate rights of audience to appear in the High Court in London.

For the Jersey hearing, you may attend and express your views in person or via a legal representative. You can also make written representations direct to the Royal Court of Jersey at The Royal Court of Jersey, Royal Court House, Royal Square, St Helier, Jersey JE1 1BA including “UKI Transfer” as a reference.

You may also call or write to us setting out details of any concerns or objections you may have. Any objections raised with us will be passed on to the relevant Court, our regulators and the Independent Expert. We recommend that you call or write to us with any concerns or objections you may have about the proposed Transfer, even if you intend to appear in Court in person, as the objections we receive will be provided to the relevant regulators, the Independent Expert and to the relevant Court.

If you do have any concerns or objections or consider you may be adversely affected, you are advised to read the answer to question 18 below.

13. What will happen at the Court hearing(s)?

The Court hearings to consider the proposed Transfer are expected to take place for the UK at the Rolls Building on 25 February 2026 and for Jersey at the Royal Court of Jersey on 5 March 2026. These dates are subject to change. Any updates in this regard (particularly any changes in the hearing date) will be published on our website: <https://u-k-insurance.co.uk/nig/part-vii-information.html> and on the website of IIUK: <https://www.intactinsurance.co.uk/intactuki-partvii-transfer>

The Judge will review whether all of the legal procedures for completing the Transfer have been followed correctly. The Judge will also review the witness statements and evidence presented by UKI and IIUK in support of the proposed Transfer, and will consider the reports of the Independent Expert, the PRA and the FCA, and in Jersey, the views of the JFSC.

Time will be allocated to hear any objections put forward (whether in writing or in person) by affected policyholders or any other person who alleges that they would be adversely affected by the proposals. The Judge must decide whether or not it is appropriate to approve the Transfer, taking all of the evidence into account.

14. How will the interests of UKI’s and IIUK’s policyholders be protected?

The process we are following is designed to ensure that the interests of all policyholders are protected. This includes engaging with our policyholders through press advertising and this mailing so that they are kept informed about our proposals and can raise any concerns or objections they may have. The proposed Transfer is subject to approval by the Courts, which will only approve the Transfer if it is appropriate to do so.

As part of the legal process, an Independent Expert has been appointed to assess the likely effects of the proposed Transfer on impacted policyholders and has an overriding duty to the Courts. The Independent Expert is not employed by UKI or IIUK and has been approved by the PRA in consultation with the FCA. The Independent Expert's role is to assess whether any group of policyholders would be adversely affected by the proposed Transfer and to report the conclusions independently.

The Independent Expert has reviewed the terms of the Scheme and considered the likely effects on each relevant group of policyholders. In the Report, **the Independent Expert has concluded that the interests of UKI's and IIUK's policyholders will not be materially adversely affected by the proposed Transfer.** A summary of the Independent Expert's findings and the full report are available on our website at <https://u-k-insurance.co.uk/nig/part-vii-information.html> (and also on the IIUK website as referred to above). A supplementary report will also be prepared by the Independent Expert and published shortly before the final UK Court hearing scheduled for 25 February 2026.

In addition, the PRA and FCA, and for Jersey, the JFSC, have been consulted on the proposed Transfer. Their views have been taken into account, and the regulators will continue to be engaged throughout the remainder of the process.

15. What other information is available and how do I obtain that information?

If you would like more detailed information on the proposed Transfer, then the following documents can be downloaded from our website: <https://u-k-insurance.co.uk/nig/part-vii-information.html>

- Scheme Document
- Summary of the Scheme
- Jersey Representation and Jersey Scheme Document
- Full and summary versions of the Report
- Legal notices in respect of the UK and the Jersey Schemes
- Template letters and FAQs
- Supplementary Report (once available)

Alternatively, you can request copies of those documents by contacting us using the contact details on page 4. When writing or calling please quote your policy number.

You can also find information about IIUK on their website <https://www.intactinsurance.co.uk/intactuki-partvii-transfer> or on their general home page at <https://www.intactinsurance.co.uk>

Between the hours of 9am and 5.15pm Monday to Friday, you can inspect or obtain copies (free of charge) of the Independent Expert's Report and the Representation to the Royal Court of Jersey from the offices of Mourant Ozannes (Jersey) LLP, 22 Grenville St, St Helier JE4 8PX, Jersey. These will be available up to the date of the final Jersey court hearing, which is 5 March 2026.

16. What does the term “not materially adversely affected” used by the Independent Expert mean?

The phrase “not materially adversely affected” means any potential impact is very unlikely to happen and does not have a significant impact or is likely to happen but has a very small impact.

Assessing the potential impact of events such as the proposed Transfer is ultimately a matter of judgement involving the estimation of the likelihood and impact of future possible events. The way in which the Independent Expert has expressed the conclusions regarding the potential impact of the Transfer, particularly as regards to the impact on the security provided to Transferring, and Non-Transferring Policyholders of UKI, existing customers of IIUK, and to Reinsurers of UKI, acknowledges the uncertainty that is inevitably involved in any such analysis.

The phrase “not materially adversely affected” (or equivalent) reflects the standard terms used by actuaries in this type of analysis, including by the Independent Expert in the analysis of this particular Transfer. Since it is never possible to be absolutely certain what the outcome of future events will be, actuaries have chosen to express their judgements in terms of what they expect to happen.

Similarly, because the outcomes for different groups of policyholders may be slightly different as a result of the Transfer, and there will also be a range of possible outcomes for all policyholders, they have chosen to frame their conclusions using a materiality threshold. If a potential impact is very unlikely to happen and does not have a significant impact or is likely to happen but has a very small impact, then it is not considered to materially adversely affect policyholders.

17. What happens next?

Notices in relation to the application to the Court for sanction of the Scheme will be published in the London, Edinburgh and Belfast Gazettes, and widely in the UK national press. A notice will also be published in the Jersey Gazette in respect of the application to the Royal Court of Jersey.

The Court hearings to consider the proposed Transfer are expected to take place as follows:

	Court Address Rolls Building, Fetter Lane, London EC4A 1NL	Date 25 February 2026
	Royal Court of Jersey, Royal Court House, Royal Square, St Helier, Jersey JE1 1BA	10am 5 March 2026

18. What if I have any concerns about this Transfer or if I consider that I may be adversely affected?

If you feel you may be adversely affected by the proposed Transfer, you have the right to object or raise your concerns either in writing or by telephone. You can present your views either to UKI or make representations to the Courts.

We recommend that you call or write (including email) to us with any concerns or objections you may have about the proposed Transfer, or if you intend to make representations to the Courts as soon as possible and preferably no later than 11 February 2026. You can contact us using the contact details that are on page 4 of this FAQs document.

We will acknowledge your objection. The objections we receive will be provided to the relevant regulators and the Independent Expert and a summary will be provided to the UK Court. Where the objection relates to the Jersey scheme, it will also be provided to the JFSC and the Royal Court of Jersey. The Courts will then consider them in deciding whether it is appropriate to approve the proposed Transfer.

If you wish to make representations to the UK Court directly, you can do so by writing to The High Court of Justice, Chancery List Office, Rolls Building, Fetter Lane, London EC4A 1NL. You should clearly refer to the transfer of insurance policies between UKI and IIUK and by referencing “CR-2025-003706”.

Anyone making representations directly to IIUK is asked to inform us as soon as practicable, to ensure that we receive your representations in sufficient time to allow us to submit them to the Courts. It may be necessary that if IIUK receive any communications on this Transfer that they shall liaise with us in order to ensure that your query is fully addressed.

If you believe you may be adversely affected by the proposed scheme in Jersey, you have the right to be heard, in person or via a legal representative at the hearing of the Royal Court of Jersey, as appropriate. Anyone wishing to make a representation about the transfer in Jersey in person or by a legal representative is asked to call or write to us as soon as practicable, stating that their representation relates to the scheme in Jersey. Further details on how you can do this can also be provided by the helpline (details of which are on page 4 of this document). You can also make written representations direct to the Jersey Court. Please send your letter to: The Royal Court of Jersey, Royal Court House, Royal Square, St Helier, Jersey JE1 1BA including “UKI Transfer” as a reference. Please also send a copy to us.

19. If the Court approves the proposed Transfer am I able to opt out?

No. If the Court approves the proposed Transfer, all policies in-scope of the Transfer are proposed to transfer to IIUK. There is no ability for policyholders to opt out of a Part VII Transfer once sanctioned by the Court.

20. What if the High Court of Justice of England and Wales does not approve the Transfer?

If the High Court of Justice of England and Wales does not approve the Scheme, the Transfer will not take place and all policies will remain with UKI. In this event, we will update our website: <https://u-k-insurance.co.uk/nig/part-vii-information.html>.

21. What if the Jersey Court does not approve the Transfer?

If the Royal Court of Jersey does not approve the Jersey Scheme, any policies which constitute insurance business carried on by UKI in or from within Jersey will not transfer and will be retained by UKI until such date (if any) as the Jersey Scheme becomes effective (or as the case may be the policies will remain with UKI).

IV. Governance and Costs

22. How independent is the Independent Expert?

The main purpose of the Report produced by the Independent Expert is to assist the Courts in deciding whether or not to approve the Scheme. As a consequence of this role, the Independent Expert owes a duty to the Courts in each jurisdiction. These duties represent a serious obligation for the Independent Expert and override any obligation to any person from whom they have received instructions or by whom they are paid.

In addition, the appointment of the Independent Expert has been considered by our regulators and Mr. Mitchell's appointment to act as the Independent Expert has been formally approved by the PRA. Each of these factors should provide reassurance about the independence of the Independent Expert.

The Report must be impartial, based on a thorough review of the proposals and the businesses of UKI and IIUK and in a form that is approved by the PRA and FCA. All relevant companies have provided Mr. Mitchell with access to key staff and any information he has requested. Mr Mitchell's overriding duty of responsibility is to the court, and not to the companies involved in the proposed Transfer.

23. Who is paying for the Transfer?

Policyholders will not bear any of the costs associated with the Transfer of business from UKI to IIUK.

24. Do I have a vote on the Transfer?

The legal process to carry out the Transfer contains various safeguards to ensure that the interests of affected parties are protected. However, it does not require the proposals to be put to a vote by policyholders or shareholders.

The Courts will only sanction the Transfer if the proposals are appropriate, including in consideration of whether they are fair as a whole as between the interests of the affected parties. Policyholders have the right to object to the Transfer. The process to raise an objection is outlined in the answer to question 18 above.

V. What You Need to Do

25. What should I do now?

You should carefully read and consider the information in this document and the accompanying letter.

Once you have done that, you should consider whether you think you may be adversely affected by the proposed Transfer or have any concerns. If you do consider that you may be adversely affected or have other concerns, your options are set out in the answer to question 18 above.

If you are satisfied with the proposed Transfer, you don't need to do anything else.

VI. Data and Records

26. What happens to my personal data?

As part of the Transfer, personal data held by UKI in relation to in-scope policies are proposed to transfer to IIUK. This is necessary to ensure continuity of servicing and claims handling. The Transfer of data is permitted by law and has been reviewed as part of the regulatory process.

IIUK will process your data in accordance with applicable data protection legislation. If you would like more information about how IIUK handles personal data, please refer to their Privacy Notice on its website: <https://www.intactinsurance.co.uk>

27. Will policy records remain traceable and up to date after the Transfer?

Yes. Where policies being transferred to IIUK are subject to employers' liability regulations, UKI will ensure that all relevant entries on the Employers' Liability Tracing Office (ELTO) database are updated to reflect IIUK as the insurer. This will ensure that former employees and claimants can continue to trace liability coverage if a claim arises in the future.

DLG will also update the Motor Insurers' Bureau (MIB), Motor Insurance Database (MID), the Motor Insurers' Anti-Fraud and Theft Register (MIAFTR), and the Experian Motor CUE database, where applicable, to ensure that policy records remain up to date and cover validation can continue following the Transfer.

28. How does the Transfer affect my rights to the Financial Services Compensation Scheme (FSCS) or the Financial Ombudsman Service (FOS)?

In the event that IIUK is unable to meet its financial obligations, it, like UKI, is covered by the Financial Services Compensation Scheme (FSCS). The FSCS is an organisation, set up under the Financial Services & Markets Act 2000, which provides compensation to eligible customers of authorised financial institutions (such as banks and insurers) in the event they're unable to pay. If the transfer to IIUK is approved, the level of protection provided against its failure under the FSCS will remain unchanged.

Similarly, in the event of a dispute with UKI, if you meet the relevant eligibility criteria, you currently have recourse to the UK Financial Ombudsman Service (the FOS) which provides a free, independent service for resolving disputes. As all of the transferring policies were issued by a UK regulated insurer, following the Transfer you will still continue to benefit from access to the FOS.

VII. Operational Arrangements and Other Business

29. Does the Transfer affect any ongoing legal proceedings or my appointed legal representative?

No. If you have ongoing litigation or a legal representative acting in connection with an in-scope policy, IIUK will assume responsibility for that policy from the Transfer Date. You do not need to take any action.

30. Does this Transfer affect policies or contracts under other Direct Line Group brands (for example, Direct Line)?

No. The Transfer only affects policies issued under the NIG and FarmWeb brands, as well as certain broker-brands supported by UKI capacity that are in scope (see question 1 in Section B above). Other Direct Line Group brands and policies are unaffected.

31. What about claims linked to policies that are not in scope of the Scheme?

Claims linked to out-of-scope policies (for example, policies underwritten before 1 October 2022 that are not within the limited multi-year exceptions set out in question 1 in Section B above) will remain the responsibility of UKI and will continue to be administered under existing arrangements.