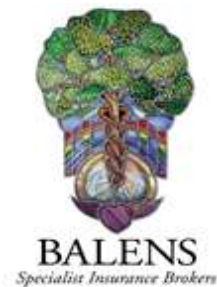


Balens Specialist Insurance Brokers

Notice to Policyholders

XL Catlin EU Contract Continuity Clause



In preparation for the United Kingdom's withdrawal from the European Union (Brexit) in March 2019, your insurance company, XL Catlin, are changing the Group company that supports your policy from a United Kingdom legal entity to one based in the European Union.

Whilst the Brexit is the catalyst for the change, the Continuity Clause also makes provisions should other member states change their statuses in relation to, among other things, use of the Euro, membership of the EU or of the European Customs Union – such matters termed 'membership events'.

The practical impact of the Clause is to provide you with certainty of continuous cover, without the need to replace or amend your policy, when Brexit (or any other 'membership event') completes.

Given its broad scope and technical nature, the Clause, as set out below, is by necessity quite long, however be please assured that you do not need to take any action. Should you have any questions please contact Balens on 00441684 580771 or email info@balens.co.uk



XL CATLIN EU CONTRACT CONTINUITY CLAUSE

1. This EU Contract Continuity Clause ("this Clause") applies to the participation of XL Catlin Insurance Company UK Limited ("XLCICL UK") and XL Insurance Company SE ("XLICSE") (together, the "XL Catlin Insurers") in this Policy and is agreed to form a binding part of the contract between the Insured, XLCICL UK and XLICSE.
2. The Insured's legal duties in respect of the placing of the Policy and any renewal or amendment thereof are owed to each of the XL Catlin Insurers to the extent applicable.
3. Unless and until sub-clause 6 or 7 applies, XLCICL UK will provide the coverage under this Policy, and XLICSE will provide no coverage and will be under no obligation to the Insured whatsoever.
4. For the purposes of this Clause, an EU Membership Event is an event associated with a change to a country's or countries' membership or status within the European Union or European customs union and/or includes, without limitation, any of the following events:
 - 4.1 the withdrawal or decision to withdraw from the European Union by any one or more members of the European Union (Member States); or
 - 4.2 the withdrawal or decision to withdraw from the European customs union by one or more Member State(s); or
 - 4.3 the withdrawal from legal tender of the Euro; or
 - 4.4 the withdrawal or decision to withdraw from the Euro by one or more Member State(s); or

- 4.5 the replacement of the Euro by any alternative single or unified currency by two or more Member States (whether or not they remain members of the European Union) or the introduction of a new currency by a Member State (whether or not it remains a member of the European Union).
- 5.1 Subject to sub-clauses 6 and 7 below, the occurrence of an EU Membership Event shall not have the effect of:
- 5.1.1 terminating this Policy; or
 - 5.1.2 altering or invalidating any term of or discharging or excusing performance under this Policy; or
 - 5.1.3 giving any party a unilateral right to alter or terminate this Policy.
- 5.2 Any clause within this Policy which seeks to bring about any of the effects set out in sub-clause 5.1 above (other than sub-clauses 6 and 7 below) shall have no effect.
- 6.1 To the extent that XLCICL UK, as a consequence of an EU Membership Event is:
- 6.1.1 not permitted by applicable law or regulation to perform this Policy (or any part thereof); and/or
 - 6.1.2 would become exposed to legal or regulatory sanction as a consequence of performing this Policy (or any part thereof), this Policy shall instead be performed by XLICSE to the extent that XLICSE is permitted to do so by applicable laws and regulations and without exposing XLICSE to any legal or regulatory sanction.
- 6.2 If and from such time as sub-clause 6.1 applies:
- 6.2.1 XLCICL UK shall:
 - 6.2.1.1 no longer be obliged to perform the Policy (or such part of the Policy as falls within sub-clauses 6.1.1 and/or 6.1.2 above) from the date on which it could no longer do so; and
 - 6.2.1.2 be under no liability whatsoever for its non-performance of this Policy (or such part of the Policy as falls within sub-clauses 6.1.1 and/or 6.1.2 above) from the date on which it could no longer do so.
 - 6.2.2 XLICSE will only provide coverage to the extent (including financial extent) to which XLCICL UK would have been obliged to do so under the Policy and only to the extent that XLCICL UK is no longer obliged to do so pursuant to sub-clause 6.2.1 above.
- 6.3 Accordingly, this Policy will be performed as if only one of the XL Catlin Insurers were party to it, including (but not limited to) the following respects:
- 6.3.1 All limits of liability, aggregates (including the overall aggregate limit) and deductibles will be applied as if there were only one XL Catlin Insurer; and
 - 6.3.2 the Insured's obligations in respect of the premium will be fully discharged by making payment to XLCICL UK or XLICSE. Premium will be apportioned by the XL Catlin Insurers as between themselves on the basis of their exposure under the Policy from time to time.
- 7.1 If, as a consequence of an EU Membership Event, neither XLCICL UK nor XLICSE:
- 7.1.1 is permitted by applicable law or regulation to perform this Policy (or any part thereof); or
 - 7.1.2 can perform this Policy (or any part thereof) without exposure to legal or regulatory sanction, this Policy (or such part as can no longer be permissibly performed or cannot be performed without exposure to legal or regulatory sanction) shall automatically terminate with effect from 23:59:59 GMT on the date immediately before XLCICL UK becomes no longer permitted to perform this Policy (or such part thereof).
- 7.2 Within 14 days of such termination there will be a return of any paid but unearned premium which shall be calculated as expressly provided in the relevant cancellation or termination provisions of this Policy or if there are no such provisions on a pro-rata basis for the time on risk. Unless otherwise provided, however, if any claim or circumstance has been notified under this Policy at or prior to the date of termination the premium shall be deemed fully earned and no return premium shall be due.