

NOTICE OF PROPOSED INSURANCE BUSINESS TRANSFER

THE FOLLOWING INFORMATION WILL BE OF INTEREST TO POLICYHOLDERS OR CLAIMANTS MAKING A CLAIM UNDER AN EMPLOYERS' LIABILITY INSURANCE POLICY ISSUED BY:

EXCESS INSURANCE COMPANY LIMITED ("Excess")

Excess is part of The Hartford Financial Services Group, Inc. (the "**Hartford Group**"), a US-based Fortune 500 insurance and investment group. Excess wrote many different lines of insurance and reinsurance business in the London Market for nearly one hundred years, from 1894. It ceased writing new business and has been in run-off since 1992. It wrote Employers' Liability business between c.1908 to 1991 and all known employers' liability policies have been recorded onto the register held by the Employers' Liability Tracing Office.

The Hartford Group includes other insurance and reinsurance business written by other members of the Hartford Group that is administered in the UK. All of this business is in run-off. The Hartford Group is proposing that any such business is consolidated and transferred into a single UK-incorporated, regulated group company, Hartford Financial Products International Limited ("**HFPI**"), which is also in run-off. In addition to Excess, the other businesses to be consolidated into HFPI are:

1. business within the UK branch of the Hartford Fire Insurance Company, a Connecticut incorporated insurer; and
2. certain insurance liability and reinsurance business written by London & Edinburgh Insurance Company Limited (which is now part of the Aviva group) for which the Hartford Group has ultimate financial responsibility.

The consolidation will formally take place by way of an insurance business transfer scheme under Part VII of the Financial Services and Markets Act 2000 (the "**Transfer**").

All of the business being transferred has been in run-off for more than 10 years and has been managed since 1998 by a single UK subsidiary of the Hartford Group, Downlands Liability Management Limited ("**DLM**"). DLM will continue to manage the run-off after the Transfer.

The Transfer will include all corresponding assets, including reinsurance assets, matching the insurance and reinsurance policies and liabilities to be transferred.

To become effective the Transfer must be approved by the High Court of Justice in England (the "**Court**"). The Court will consider whether the Transfer is fair and whether policyholders' interests are safeguarded. In doing so, it will take into account the views of the UK financial regulators, the Prudential Regulation Authority ("**PRA**") and the Financial Conduct Authority ("**FCA**"), as well as the opinion of an Independent Expert, whose appointment has been approved by the PRA and the FCA, and any objections made by interested parties. The Independent Expert has been appointed to consider the effects of the Transfer on policyholders, including policyholder security, and other key stakeholders.

The Independent Expert's overall conclusion is as follows: "*I conclude that the security provided to policyholders would be equivalent or improved after the Transfer, that no group of policyholders would be adversely affected to a material extent by the Transfer, that the level of customer service provided to policyholders would be unaffected by the Transfer, and that therefore there is no reason that the Transfer should not go ahead.*"

The Court hearing is currently scheduled for 13 October 2015 and, if approved, it is expected that the Transfer will become effective on 15 October 2015.

ACTION REQUIRED

Policyholders or claimants are not required to take any action in relation to the Transfer. If approved by the Court, all policies and claims will automatically transfer to HFPI. There will be no change to any policy terms or the way in which claims are administered and all existing contact details will remain the same. Individual claimant's rights under the Third Parties Rights Against Insurers Act 1930 will not be affected by the Transfer. All known employers' liability policies of Excess will continue to be recorded on the database held by the Employers' Liability Tracing Office. Excess will continue to be traceable in the same way through this database after the Transfer whereby DLM will handle any future claims on behalf HFPI.

However, if any party believes that they will be adversely affected by the Transfer, they have the right to make written representation to the Court or be heard at the Court hearing to approve the Transfer (in person or by legal representation). The Court hearing is currently scheduled to take place on 13 October 2015 at the Rolls Building, Royal Courts of Justice, 7 Rolls Buildings, Fetter Lane, London EC4A 1NL, UK. Any person who intends to appear at the Court, or to make representations in writing, is requested to notify the Hartford Group's solicitors, Freshfields Bruckhaus Deringer LLP, as soon as possible and ideally at least 2 days before the Court hearing, at 65 Fleet Street, London, EC4Y 1HS, UK (Ref 138865-0034/GHFS/NAG/LEH). Parties can also call or write to DLM using the contact details set out under "Further information" below. Any representations that are received will be brought to the attention of the PRA, FCA and the Court at the hearing when it decides whether to grant its approval of the Transfer.

FURTHER INFORMATION

Further information about the Transfer, including the full terms of the legal document that gives effect to the Transfer and the full report of the Independent Expert, can be downloaded, free of charge, from the Transfer website at www.downlandslability.com or by contacting the DLM helpline on +44(0)1903 836 822, or by email to HartfordPartVII@downlandslability.com, or in writing to Roland Jackson, Downlands Liability Management Limited, DLM House, Downlands Business Park, Lyons Way, Worthing, West Sussex BN14 9RX, UK. The helpline will be open between the hours of 9.00 a.m. and 5.30 p.m. from Monday to Friday UK time. When calling the helpline number outside of these hours, please leave a short message stating the nature of your query and your contact details and DLM will endeavour to return your call within 48 hours (excluding Saturdays, Sundays and Bank Holidays). All future updates relating to the Transfer will be posted onto the Transfer website from time to time including any changes to the date of the Court hearing and a copy of any supplemental report prepared by the Independent Expert.