

Delivering business as usual

Broker and Client key questions

What actions are Tokio Marine HCC (TMHCC) taking to continue to write European Economic Area (EEA) business from the 29 March 2019?

TMHCC has set up and obtained insurance licenses for Tokio Marine Europe S.A. (TME), headquartered in Luxembourg, to underwrite EEA risks on a freedom of services basis and also via a branch network in Europe that includes a UK branch. Branches in Continental Europe are in the following countries:

Belgium, Denmark, France, Germany, Ireland, Italy, Netherlands, Norway and Spain.

TME is a wholly owned subsidiary of HCC International Insurance Company Plc (HCCI) and carries the same AA- (Very Strong) S&P Global Ratings. From 1 January 2019, all EEA exposures historically underwritten by HCCI will be underwritten by either TME or, if the risk was originally underwritten by Lloyd's Syndicate 4141, it will be underwritten by Lloyd's Brussels.

What actions are TMHCC taking to ensure continuity of existing contracts with EEA exposures written prior to the 29 March 2019?

In respect of all EEA policies that were underwritten by HCCI European branches on or before 31 December 2018, these have been transferred via a Part VII process to the new European insurance Company, TME. All current EEA policies underwritten directly on HCCI UK paper will run off to expiry and will then be renewed on TME, UK branch paper to ensure business continuity is maintained.

Following Brexit negotiations, if we encounter European Union (EU) regulatory restrictions surrounding the payment of claims or general servicing to EEA clients from policies that were underwritten on HCCI, UK paper before 29 March 2019, we will endeavour to novate affected policies on a case by case basis.

Is there a UK branch of TME that can underwrite EEA risks?

Yes, a UK branch of TME has been fully registered and received regulatory approval. As of 29 March 2019, there is however regulatory uncertainty surrounding the business we will be able to underwrite out of the UK branch. Until there is consensus from the EU regulators, we cannot determine what business can be processed from the branch. The European Insurance and Occupational Pensions Authority (EIOPA) will provide the official rules and regulations after the 29 March 2019. If it is stated that we cannot use the UK branch to process EEA risks, we will underwrite these risks out of our TME, EU branch network. To this effect contingency plans for all lines of business are in place.

What risks will TMHCC be able to insure post-Brexit?

As described above EEA business can be underwritten through either TME or Lloyd's Brussels. Depending on licensing requirements, business located in the UK, US or Rest of World (RoW) may be underwritten via our insurance company (HCCI), Lloyd's Syndicate (HCC Syndicate 4141) or Houston Casualty Company – London Branch (HCL) platforms.

TMHCC is able to access various local insurance markets via more than one underwriting platform, facilitating the provision of business continuity and offering client flexibility.



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What will TMHCC do in respect of binding authorities/line slips that include EEA exposures?

Yes, where there is European exposure we will continue to underwrite binders either on our Lloyd's Brussels platform or on TME. Where the binding authority comprises worldwide exposures, the agreement will be split into two sections. The first section will cover UK and the RoW and, per licensing requirements, be underwritten through either HCCI, HCC Syndicate 4141, or HCL operations. The second section will cover EEA risks and will be underwritten as stated above.

Have Terms of Business Agreements (ToBAs) been issued for the required broker relationships?

Yes, new ToBAs are in the process of being issued to brokers as necessary.

Where can I obtain further information about TMHCC's Brexit plans?

Please visit: www.tmhcc.com/en/about-us/brexit