

## **HCCI Surety Bond Beneficiary Statement**

Dear Sirs,

You are currently the beneficiary of a Surety bond which has been issued by HCC International Insurance Company Plc (HCCI), a UK registered insurance company. As we are liable for the Surety bond protecting you, you have received this notification.

### **What is a Surety bond?**

A Surety bond is the legally binding contract that ensures obligations will be met between three parties:

- The obligee: the party who is the recipient of an obligation
- The principal: the party who will perform the contractual obligation
- The Surety: the insurance company guaranteeing the principal can fulfil the obligations

We are the Insurer of a company (the principal) that you hold a Surety bond with, and therefore liable for the bond that covers you (the obligee) if the company defaults on contractual obligations.

### **Why am I a bond beneficiary?**

You are the beneficiary of a Surety bond to protect the contractual promises issued by a certain company. The Surety bond will pay out in the event of the company defaulting on contractual obligations.

In certain industries, companies have a legal requirement to buy these Surety bond protections, even if you might not be aware of it. For example, you have contracted a construction company to build your new house and this company has a legal obligation to buy a Surety bond to protect you in case they go bankrupt and are unable to complete the project.

### **Why are we writing to you?**

As a result of the Brexit referendum that was passed by UK Parliament, the UK will leave the European Union on 29 March 2019. We have therefore decided to launch a new European insurance company in Luxembourg, Tokio Marine Europe S.A. (TME), so that we can continue transacting and safeguarding all our insurance business in the European Economic Area (EEA). Our existing portfolio of policies written out of our Continental European operations will be transferred to TME via a Part VII transfer.

So, whether the Surety bond that protects you was put in place at your request or as part of a legal obligation by a contractor you hired, following this transfer, TME will become the insurer of the company that you hold a Surety bond policy with and therefore will be liable for that policy as of 1 January 2019.

## What does the Part VII transfer change for you?

The transfer of business to TME will not change the terms, continuity of our Surety bond policies or how the policies and potential claims will be handled. It is simply a move to allow us to continue to provide secure insurance policies across Europe post Brexit.

## Do I need to do anything?

No, you do not need to do anything. We have an obligation to inform you of the Part VII transfer, but this is for your information only. Included in this mailing, is a HCCI Policyholder Statement which outlines in further detail the transfer of business to TME. If you require further information, please visit: <https://www.tmhcc.com/en/about-us/brexit> or email [brexit@tmhcc.com](mailto:brexit@tmhcc.com)

We want to take this opportunity to thank you for your understanding.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'B. Cook', with a horizontal line extending to the right.

Barry J. Cook

For and on behalf of

**HCC International Insurance Company Plc**