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TO ALL KNOWN POLICYHOLDERS, BROKERS, INTERMEDIARIES
AND AGENTS WHO HAVE PLACED BUSINESS WITH CX
REINSURANCE COMPANY LIMITED (IN ADMINISTRATION)

19 August 2020

Our Ref: MLP/RD/TH/KH/JM

Email: CXRe@uk.ey.com

Dear Sirs

CX Reinsurance Company Limited (In Administration) (“the Company”)

Why you have received this letter

This letter is being sent to all known policyholders, brokers, intermediaries and agents who have placed business with the Company. Brokers, intermediaries and agents are requested to send copies of this letter to all of their clients who have insurance policy or policies with the Company, as well as those who have or may have claims against the Company.

Administration

On 17 August 2020 the Company entered administration and Simon Edel and I were appointed as Joint Administrators. The appointment was made by the High Court following an application under the provisions of paragraph 12(1) (b) of Schedule B1 to the Insolvency Act 1986. This does not mean that the Company currently is either going into liquidation or ceasing to trade.

The Company is continuing its business under our supervision whilst we investigate its financial affairs. At present, I am unable to indicate whether there will eventually be a surplus available for creditors. However, in accordance with paragraph 49(5) of Schedule B1 to the Insolvency Act 1986, we shall be preparing proposals within eight weeks of our appointment. The proposals will be made available to all creditors and will give an indication of the likely dividend prospects.

At this time, we will also set out our proposals for remuneration and will seek approval for the basis. The statutory provisions relating to remuneration are set out in Chapter 4, Part 18 of the Insolvency (England and Wales) Rules 2016 (the Rules). Further information is given in the Association of Business Recovery Professionals' publication 'A Creditors' Guide to Administrators' Fees', a copy of which may be accessed from the web site of the Institute of Chartered Accountants at <https://www.icaew.com/en/technical/insolvency/creditors-guides>, or is available in hard copy upon written email request to the Joint Administrators at CXRe@uk.ey.com.

The Insurers (Reorganisation and Winding Up) Regulations 2004

The Insurers (Reorganisation and Winding Up) Regulations 2004 apply to the Company which is a UK insurer.

The effect of the Regulations is that direct policyholders are given priority to other classes of creditor including cedants who have reinsured with the Company.



Claims agreement and payment

Policyholders and brokers should continue to send correspondence on individual claims or other matters to the Company's offices and their usual contact set out in their policy documents.

At this time, it is not possible to predict the proportion of each policyholder's agreed claims that will ultimately be paid by the Company.

Broker accounts

From the date of administration on 17 August 2020, all authority for brokers to account on a net basis with the Company is withdrawn. All accounting involving the Company should now be on a principal to principal basis.

There should be no netting off of sums of any nature collected by brokers on behalf of the Company against payments due from the Company to any other policyholder or any other creditors of any nature with whom brokers do business, whether in respect of claims, premiums, expenses or otherwise. Accordingly, brokers who have collected reinsurance or other amounts on behalf of the Company should remit such amounts to me as soon as possible.

Identification of policyholders

We are in the process of working with the Company's staff to update and maintain the register of all the names and addresses of policyholders. This information is often maintained by brokers, intermediaries and agents on behalf of the Company and I should be grateful for their assistance in this regard. To the extent necessary, I may contact brokers, intermediaries and agents to request for information.

If you are aware of anyone else who has an interest in and/or is entitled to benefits under your policy/ies and/or claim(s), such as a subsidiaries, affiliates or claimants, please ensure that they are also given the opportunity to review this letter and enclosed documents. Alternatively, please provide us with their contact details so that we can contact them.

Opting out

Under the provisions of Rule 1.39 of the Insolvency (England and Wales) Rules 2016, creditors have the right to elect to opt-out of receiving further documents relating to the administration.

If you do elect to opt-out, you will still receive the following documents:

- Any which the Insolvency Act requires to be delivered without expressly excluding opted-out creditors;
- Notice relating to a change in the administrators, or their contact details;
- Notice of dividend or proposed dividend; or
- A notice which the court orders to be sent to all creditors, or a category of creditors to which you belong.

Any election to opt-out will not affect your entitlement to receive dividends, if any are paid. Unless the Rules provide to the contrary, opting-out will not affect your rights to vote in a decision procedure or participate in a deemed consent procedure, although you would not receive notice of such procedures. Any opted-out creditors will be treated as opted out in respect of any consecutive insolvency procedure which might follow the administration.



You may opt-out by delivering an authenticated (e.g. signed) and dated notice by email to CXRe@uk.ey.com stating that you are electing to be an opted-out creditor in relation to this administration. You may at any time revoke this election by delivering an authenticated and dated notice stating that you no longer wish to be an opted-out creditor by emailing CXRe@uk.ey.com.

Other matters

If there are any matters concerning the Company's affairs which you consider may require investigation and consequently should be brought to our attention, please forward the details to me in writing as soon as possible.

If you require any further information or explanation, please do not hesitate to contact us by emailing CXRe@uk.ey.com.

Yours faithfully
for the Company

A handwritten signature in black ink, appearing to read 'Richard Barker', written in a cursive style.

Richard Barker
Joint Administrator

Richard Barker and Simon Edel are licensed in the United Kingdom to act as insolvency practitioners by The Insolvency Practitioners Association.

The affairs, business and property of the Company are being managed by the Joint Administrators, Richard Barker and Simon Edel, who act as agents of the Company only and without personal liability.

The Joint Administrators may act as data controllers of personal data as defined by the General Data Protection Regulation 2016/679, depending upon the specific processing activities undertaken. Ernst & Young LLP and/or the Company may act as a data processor on the instructions of the Joint Administrators. Personal data will be kept secure and processed only for matters relating to the Joint Administrator's appointment. The Office Holder Data Privacy Notice can be found at www.ey.com/uk/officeholderprivacy.

Enc: Notice of Administrator's Appointment

Notice of Administrators' Appointment – paragraph 12(1) (b) of Schedule B1 to the Insolvency Act 1986

CX Reinsurance Company Limited (In Administration)

Name of Court	High Court of Justice, Business and Property Courts of England and Wales, Insolvency and Companies List (ChD)
Court reference number	CR-2020-003307 of 2020
Company registered number:	01086556
Nature of business	65202 - Non-life reinsurance
Registered office of company	1 More London Place, London, SE1 2AF
Principal trading address (if different from above)	118 Pall Mall, London, United Kingdom SW1Y 5ED
Any other name under which the company was registered in the previous 12 months	None
Any other name(s) or style(s) under which the company carried on business or incurred debts	None
Date of appointment of administrators	17 August 2020
Name(s) and address(es) of administrator(s)	Richard Barker and Simon Edel Ernst & Young LLP, 1 More London Place London, SE1 2AF
Joint / Administrator(s) IP No(s)	17150/9810
Name of alternative person to contact with enquiries about the case	cxre@uk.ey.com

Notice to all creditors

On 17 August 2020 the Company entered Administration and Simon Edel and I were appointed as Joint Administrators. The appointment was made by the High Court following an application under the provisions of paragraph 12(1) (b) of Schedule B1 to the Insolvency Act 1986.

Signed



Date 19 August 2020

Richard Barker and Simon Edel are licensed in the United Kingdom to act as insolvency practitioners by The Insolvency Practitioners Association. The affairs, business and property of the Company are being managed by the Joint Administrators, Richard Barker and Simon Edel, who act as agents of the Company only and without personal liability.

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