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Zurich Insurance PLC
70 Mark Lane
London
EC3R 7NQ

Grant Thornton UK LLP
30 Finsbury Square
London EC2P 2YU

T +44 (0)20 7383 5100
F +44 (0)20 7184 4301
www.grant-thornton.co.uk

East West Insurance Company Limited
20 Old Broad Street
London
EC2N 1DP

1 March 2018

Dear Sirs

Update to the Supplementary Report by Simon Sheaf FIA, FSAI, Independent Actuary, on the Proposed Transfer of a Portfolio of Policies from Zurich Insurance Plc to East West Insurance Company Limited

Zurich Insurance plc ("ZIP") and East West Insurance Company Limited ("EWICL") have jointly nominated Simon Sheaf ("I", "me") of Grant Thornton UK LLP ("Grant Thornton", "we", "us") to act as the Independent Actuary for the proposed insurance business transfer scheme ("the Scheme") of elements of the insurance business of ZIP to EWICL. The Scheme is intended to be effected on 31 March 2018 ("the Effective Date").

I prepared a report addressed to the Irish High Court ("the Court") dated 3 July 2017 and entitled "Report by Simon Sheaf FIA FSAI, Independent Actuary, on the Proposed Transfer of a Portfolio of Policies from Zurich Insurance plc to East West Insurance Company Limited" ("the Report"). The Report set out my considerations as to the likely effects of the proposed Scheme on the policyholders of ZIP and EWICL. This included my assessment as to whether the Scheme will result in material detriment to any policyholders affected by the Scheme relative to their current situation.

I prepared a supplementary report dated 12 February 2018 and entitled "Supplementary Report by Simon Sheaf FIA FSAI, Independent Actuary, on the Proposed Transfer of a Portfolio of Policies from Zurich Insurance plc to East West Insurance Company Limited" ("the Supplementary Report"). The Supplementary Report provided an update to the conclusions I set out in the Report in light of additional information received and changes that had occurred between the dates at which the Report and the Supplementary Report were submitted. It provided an update to the conclusions set out in the Report in the light of that updated information and those changes. In addition, the Supplementary Report also provided my opinion on the communications received from policyholders and other interested parties of ZIP and EWICL. This included my opinion on objections received.

Chartered Accountants

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Since I provided the Supplementary Report, I understand from ZIP that there have been three further objections raised to the Scheme.

In paragraph 8.8 of the Supplementary Report, I set out six categories into which all the objections received to that point related to, namely:

- the level of financial security provided by EWICL compared to ZIP
- whether the level of benefits will be reduced as a result of the Scheme
- ZIP having a stronger reputation than EWICL
- whether the process being followed is legal
- whether the service that will be provided by ARML in respect of policy servicing and claims handling will be inferior to that provided by ZIP
- whether the Scheme will have a negative influence at the time of resale of a property covered by a transferring policy.

I have considered the additional objections received and, in the main, the points raised relate to the categories above.

As part of the additional objections, a concern has been raised as to whether the complaints handling policies and procedures following the Scheme will be inferior to the complaints handling policies and procedures prior to the Scheme.

Prior to the Scheme, ARML is responsible for dealing with complaints on behalf of ZIP, in the same way that ARML is responsible for handling claims. ARML has a complaints handling policy in place for the Transferring Portfolio that was derived in conjunction with ZIP and adopts all applicable FCA requirements in relation to complaints handling. I understand from ARML that it is committed to treating all complainants fairly and will uphold a positive complaints culture, ensuring all regulatory standards for complaints handling are adopted. ARML has adopted the FCA requirements in relation to complaints handling as a minimum.

Following the Scheme, ARML will continue to be responsible for complaints handling, the difference being that it will then be acting on behalf of EWICL. I understand from ARML that its complaints handling policy will not change as a result of the Scheme.

Consequently, I do not believe that the Transferring Policyholders will be materially adversely affected by the Scheme in relation to how complaints are dealt with.

It follows from the above that I have no reason to change the conclusions contained in the Report and the Supplementary Report.

Yours sincerely



Simon Sheaf
Head of General Insurance Actuarial and Risk
For Grant Thornton UK LLP