

IN THE HIGH COURT OF JUSTICE

No. 10507 of 2011

CHANCERY DIVISION

COMPANIES COURT

**IN THE MATTERS OF
LONDON GENERAL INSURANCE COMPANY LIMITED
LONDON GENERAL LIFE COMPANY LIMITED**

-and-

**IN THE MATTER OF
THE FINANCIAL SERVICES AND MARKETS ACT 2000**

INSURANCE BUSINESS TRANSFER SCHEME

1. INTERPRETATION

1.1 In this insurance business transfer scheme, unless the context otherwise requires, the following words or phrases have the following meanings:

“Act”	the Financial Services and Markets Act 2000;
“Business”	the Transferor's long term insurance business within the meaning of class IV of Schedule 1 part II of the RAO;
“Business Day”	any day other than Saturday, Sunday or any day on which banks are not open for business in London;
“Claims”	all claims arising out of the Transferring Business;
“Effective Date”	the date on which the Scheme takes effect in accordance with Clause 9.1;
“FSA”	the UK Financial Services Authority or any successor UK regulatory authority of non-life insurance companies;
“High Court”	the High Court of Justice of England and Wales;
“Order”	an order of the High Court pursuant to section 111 of the Act sanctioning the Scheme and any order of the High Court making provision under section 112 of the Act;
“Policy” and “Policyholder”	the meaning ascribed to “policy” and “policyholder” by the Financial Services and Markets Act 2000 (meaning of “Policy” and “Policyholder”) Order 2001 (S.I. 2001/2361);
“RAO”	the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (S.I.2001/544);
“Reinsurance Treaty”	a reinsurance treaty made between the Transferor and the Transferee, effective from 1 January 2010, under which the Transferring Business is wholly reinsured with the Transferee;
“Scheme”	the insurance business transfer scheme set out in this document with or subject to any modification addition or condition approved or imposed by the High Court;
“Transferee”	London General Life Company Limited, a company

incorporated in England and Wales with registered number 02443666;

“Transferring Business”	the Business and all the assets and liabilities attributable to the Business including: (i) rights, claims and liabilities arising under or by virtue of or in connection with the Transferring Policies; and (ii) the Transferring Records;
“Transferring Policy”	any Policy, or part of a Policy, forming part of the Business;
“Transferring Records”	the books and records (held in whatever medium) referable to the Business in the possession or control of the Transferor up to the Effective Date including (but not limited to) any books and records relating to underwriting and outstanding claims in respect of the Business, and all accounting and financial records in respect of the Business;
“Transferor”	London General Insurance Company Limited, a company incorporated in England and Wales with registered number 01865673;

1.2 In this Scheme unless the context otherwise requires or expressly provides:

- 1.2.1 references to Clauses are to Clauses of this Scheme;
- 1.2.2 “liabilities” includes duties and obligations of every description (whether present or future actual or contingent);
- 1.2.3 “novation” includes transfer or assignment;
- 1.2.4 “property” includes money, goods, things in action, land and every description of property wherever situated and also obligations and every description of interest, whether present, future or vested or contingent, arising out of, or incidental to, property;
- 1.2.5 “rights” includes benefits, powers and claims of every description (whether present, future, actual or contingent) including without limitation rights to the repayment of taxation, duties or other imposts;

1.2.6 the singular includes the plural and vice versa and any reference to one gender includes the other; and

1.2.7 headings are for convenience only and shall not affect the interpretation of this Scheme.

2. INTRODUCTION

2.1 The Transferor is an insurance company authorised in the UK with permission under Part IV of the Act to effect and carry out contracts of general insurance falling within paragraphs 1, 2, 9, 13 and 16 of Part I of Schedule I of the RAO.

2.2 The Transferee is an insurance company authorised in the UK to effect and carry out contracts of long term insurance falling within paragraphs I, III and IV of Part II of Schedule I of the RAO.

2.3 It is proposed that the Transferor transfer the Transferring Business to the Transferee pursuant to Part VII of the Act.

3. TRANSFER OF THE TRANSFERRING BUSINESS

3.1 On and with effect from the Effective Date the Transferring Business and all the estate and interest of the Transferor in the Transferring Business shall by the Order and without any further act or instrument be transferred to and vest in the Transferee in accordance with and subject to the terms of this Scheme.

3.2 On and with effect from the Effective Date, in any document evidencing or constituting a Transferring Policy, references to the Transferor and/or to rights, powers, duties and/or obligations imposed upon the Transferor, its board of directors or other officers, employees or agents and/or to liabilities of the Policyholders to the Transferor shall, to the extent necessary to give full effect to the Scheme, be read, construed and treated as references to the Transferee and/or to rights, powers, duties and/or obligations imposed upon the Transferee, its board of directors or other officers, employees or agents of the Transferee and/or to liabilities of the Policyholders to the Transferee subject to and in accordance with the terms of the Scheme.

3.3 On and with effect from the Effective Date, the Transferor shall pay to the Transferee all sums, and account to the Transferee for all benefits, which may be received by the Transferor in respect of the Transferring Business.

3.4 The sums and benefits referred to in clause 3.3 shall include (without limitation) all premiums attributable or referable to the Transferring Business.

3.5 On the Effective Date the Transferor shall, to the extent in its possession or control, deliver or

cause to be delivered to the Transferee the Transferring Records which are capable of being transferred by delivery.

- 3.6 Assets sufficient to cover the regulatory capital requirements with respect to the Transferring Business have been and are currently held with the Transferee, since the inception of the Reinsurance Treaty, the effect of which is that the liabilities and mathematical reserves associated with the Transferring Business are already held by the Transferee. Therefore, on and with effect from the Effective Date, the Reinsurance Treaty will be terminated.

4. INDEMNITY

From the Effective Date the Transferee shall observe and perform the Transferor's obligations under the Transferring Policies and shall indemnify and keep the Transferor indemnified against any loss or expense incurred by or demand made against the Transferor that is attributable to the Transferring Policies, whether arising before or after the Effective Date.

5. LEGAL PROCEEDINGS

Any legal proceedings whether judicial, quasi-judicial, administrative or other proceedings for the resolution of a dispute and whether present or future by or against the Transferor at the Effective Date, in the case of proceedings in relation to Transferring Policies shall be continued by or against the Transferee from the Effective Date, and the Transferee shall be entitled to all defences, claims, counterclaims and rights of set-off that would have been available to the Transferor in relation to such proceedings.

6. PREMIUMS, MANDATES ETC.

- 6.1 All premiums attributable or referable to the Transferring Policies shall from the Effective Date be payable to the Transferee.

- 6.2 Any direct debit mandate, standing order or other instruction or authority in force on the Effective Date and providing for payment by a bank or other intermediary or premiums payable under any Transferring Policy shall thereafter take effect as if it had provided for and authorised such payment to the Transferee.

- 6.3 Any mandate or other instruction or authority in force on the Effective Date as to the manner of payment by the Transferor of any sum payable under any Transferring Policy shall continue in force as an effective mandate, instruction or authority to or of the Transferee.

7. FURTHER ASSURANCE

- 7.1 The Transferor and the Transferee shall each take such steps and execute such documents as may reasonably be required to effect or perfect the transfer to the Transferee of the Transferring Business.

8. THIRD PARTIES

8.1 Other than for the purpose of enforcing rights against the Transferee, no term of this Scheme shall be enforceable by any person other than the parties.

9. THE EFFECTIVE DATE

9.1 The Scheme shall take effect at 2pm on the first Business Day following the date on which the High Court makes an order under section 111 of the Act sanctioning this Scheme which is scheduled to take place on 16th March 2012.

10. MODIFICATION

10.1 The Transferee may, with the consent of the Transferor, agree on behalf of all persons concerned to any modification of or addition to this Scheme or to any further condition or provision affecting the same that the High Court may approve or impose.

11. GOVERNING LAW

11.1 This Scheme shall be governed by and construed in accordance with English law.

15th December 2011

No. of

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LIMITED

LONDON GENERAL LIFE COMPANY LIMITED

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