

IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
COMPANIES COURT

No 2139 of 2015

Mr Justice Newey
19 June 2015



IN THE MATTER OF PRINCIPLE INSURANCE COMPANY LIMITED

AND

IN THE MATTER OF R&Q INSURANCE (MALTA) LIMITED

AND

IN THE MATTER OF PART VII OF THE FINANCIAL SERVICES AND MARKETS
ACT 2000

ORDER

UPON THE APPLICATION by Claim Form issued on 20 March 2015 seeking, *inter alia*, an order sanctioning an insurance business transfer scheme pursuant to Part VII of the Act (**Scheme**) by Principle Insurance Company Limited, (the **Transferor**) to R&Q Insurance (Malta) Limited (the **Transferee**), (together the **Applicants**),

AND UPON HEARING Martin Moore Q C,

AND UPON READING the said Claim Form and evidence,

AND UPON READING the reports of the Prudential Regulation Authority and the Financial Conduct Authority,

AND UPON the Court considering that, in all the circumstances, it is appropriate to sanction the Scheme as set out in the Schedule to this Order,

IT IS ORDERED that

- 1 Words and phrases defined in the Scheme bear the same respective meaning in this Order as those given to them in the Scheme
- 2 The Scheme is sanctioned for the purposes of and pursuant to Section 111 of the Act
- 3 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, without any further act or instrument, be transferred to and vest in the Transferee in accordance with and subject to the terms of the Scheme

1409217 45315526 4

WEDNESDAY



R4MTRQNI

RC2

23/12/2015

#22

COMPANIES HOUSE



- 4 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
- 5 On and with effect from the Effective Date, the Transferring Reinsurances shall continue in force with the substitution of the Transferee in place of the Transferor as the reinsured party and on the terms which applied before the Effective Date and on the basis that the Transferee is reinsured thereby, or the beneficiary thereof, for all purposes as if all references therein (however worded and whether express or implied) to the Transferor were references to the Transferee
- 6 The Transferor's rights and liabilities under Residual Policies and Residual Reinsurances shall transfer to, vest in and become rights and liabilities of the Transferee with effect from the applicable Subsequent Transfer Date. With effect from that date, the provisions of the Scheme shall apply to the relevant Residual Policies as if references to Transferring Policies and Residual Reinsurances were references to such Residual Policies and Residual Reinsurances respectively and as if references to the Effective Date were to the relevant Subsequent Transfer Date
- 7 The transfers effected by paragraphs 3 to 6 above shall be valid and binding on all parties having any interest in the same notwithstanding any restriction on transferring, assigning or otherwise dealing with the same and such transfer shall be deemed to take effect on the basis that it does not contravene any such restriction and does not give rise to any right to terminate, modify, acquire or claim an interest or right, or to treat an interest or right as terminated or modified. Any entitlement which, but for the terms of this Order, would or might arise to terminate, modify, acquire or claim an interest or right or to treat an interest or right as terminated or modified as a result of anything done pursuant to the Scheme shall not be effective
- 8 At and with effect from the Effective Date, all references to the Transferor in the Outsourcing Agreements or other arrangements with any third party relating to the Transferring Business shall be read and construed as if the same were references to the Transferee so that such references shall take effect as if the Transferee were the original party to Outsourcing Agreements or arrangements in place of the Transferor
- 9 From the Effective Date, the Transferee shall indemnify and keep indemnified the Transferor against any loss or expense incurred by, or demand made against, the Transferor that is attributable to the Transferring Business or the Transferring Policies whether arising before or after the Effective Date
- 10 Any judicial, quasi-judicial, administrative or arbitration proceedings or any complaint or claim to any ombudsman or other proceedings for the resolution of a dispute or claim (whether pending, current or future) by, against or in relation to the Transferor in respect of, or in connection with,

the Transferring Business, shall be commenced and/or continued by, against or in relation to 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 and the Transferor shall have no liability under those proceedings and, for the avoidance of doubt, the Transferee, in its absolute discretion, may discontinue any such proceedings brought by the Transferor

- 11 Any such proceedings after the Effective Date commenced in error against the Transferor shall be deemed to have been commenced and shall be continued against the Transferee without the need for further order, whether for substitution of parties or otherwise
- 12 Until the relevant Subsequent Transfer Date, the Transferee shall have the right to direct the conduct of any legal proceedings which at the Effective Date are pending by or against the Transferor in relation to the Residual Policies
- 13 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 or any other contract which forms part of the Transferring Business shall continue in force as an effective mandate, instruction or authority to or of the Transferee
- 14 On and with effect from the Effective Date, the Transferee shall
- 14 1 succeed to all rights, liabilities and obligations of the Transferor in respect of any personal data which relates to the Transferring Business and which is subject to the Data Protection Act 1998,
- 14 2 become the data controller of any personal data which relates to the Transferring Business and which is subject to the Data Protection Act 1998 in place of the Transferor and shall be deemed to have been the controller of all such data at all material times when personal data was processed,
- 14 3 in respect of any personal data which relates to the Transferring Business be under the same duty by virtue of any law as the Transferor was under to respect the confidentiality and privacy of any person in relation to that personal data and shall be bound by any specific notice or consent given, or request made by, the data subject which was binding on the Transferor and which required a Transferor not to use the personal data for marketing purposes, and
- 14 4 in any consent given by a data subject in respect of such data as is mentioned in this paragraph 14, any reference to the Transferor shall be deemed to include a reference to the Transferee
- 15 The production of a copy of this Order and a copy of the certificate by a director of the Transferee that the Scheme has taken effect shall, for all purposes, be evidence of the transfer to, and vesting in, the Transferee of the Transferring Business in accordance with this Order and the Scheme
- 16 Neither the transfer of the Transferring Business nor any other matter provided for by this Order or this Scheme shall
- 16 1 invalidate or discharge any agreement, document, instrument or other thing,

- 16 2 constitute a breach of, or default under, or require any obligation to be performed sooner or later than would have otherwise been the case under, any agreement, document, instrument or other thing to which the Transferor or the Transferee is a party or is bound,
- 16 3 allow any party to any agreement, document, instrument or other thing to terminate that document, agreement or instrument or other thing when he would not otherwise have been able to do so,
- 16 4 entitle any party to the agreement, document, instrument or other thing to which any of the Transferor or the Transferee is a party or is bound to vary the terms of that agreement, document, instrument or other thing when he would not otherwise have been able to do so, or
- 16 5 cause the imposition of any greater or lesser obligation on any party to any such agreement, document, instrument or other thing when that greater or lesser obligation would not otherwise have been imposed including the release of any obligation or liability of any party which would not have otherwise been released or release such liability or obligation sooner or later than would have otherwise been the case
- 17 Pursuant to section 112(8)(b) of the Act the Transferor be dissolved without winding up with effect from the second business day (being any day other than Saturday, Sunday or any other day on which banks are not open for business in London) after the day on which, its permissions pursuant to Part 4A of the Act having been cancelled, the Transferor has transferred all assets comprised in the Transferring Business to the Transferee,
- 18 There shall be liberty for each of the Applicants to apply to the Court
- 18 1 for such Order(s) or directions as may be expedient or necessary for the purposes set out in section 112 of the Act,
- 18 2 pursuant to paragraphs 10 and 11 of the Scheme, and
- 18 3 generally

IN THE HIGH COURT OF JUSTICE

No 2139 of 2015

CHANCERY DIVISION

COMPANIES COURT

IN THE MATTER OF

PRINCIPLE INSURANCE COMPANY LIMITED

and

R&Q INSURANCE (MALTA) LIMITED

and

IN THE MATTER OF

PART VII OF THE FINANCIAL SERVICES AND MARKETS ACT 2000

INSURANCE BUSINESS TRANSFER SCHEME

INDEX

1	Interpretation	1
2	Introduction	6
3	Transfer of the Transferring Business	6
4	Transfer of Residual Policies and Residual Reinsurance	8
5	Indemnity	9
6	Legal Proceedings and Continuity	10
7	Premiums, Mandates etc	10
8	Personal Data	11
9	Further Assurance	11
10	Third Parties	11
11	The Effective Date	12
12	Modification	12
13	Costs	12
14	Governing Law	12

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 means the Financial Services and Markets Act 2000 together with the rules and regulations implemented pursuant thereto,

Business means the general insurance business of the Transferor including (without prejudice to the generality of the foregoing) all activities carried on in connection with or for the purposes of such business,

Effective Date means the date and time on which the Transfer takes effect in accordance with Clause 11

Governmental Authority means any national, supra-national, federal, state, provincial or local government, political subdivision, governmental, regulatory, department, bureau, board or other administrative authority, agency, body or commission or self-regulatory organization and any court tribunal, or judicial or arbitral body,

High Court means the High Court of Justice of England and Wales,

Insurance Regulator means the UK Prudential Regulation Authority and/or the UK Financial Conduct Authority, as applicable, (or any successor authority or authorities with responsibility for supervising the prudential and/or conduct of business requirements which apply to the carrying on of general insurance business in the UK),

MCR means the minimum capital requirement applicable to the Transferor as at the Effective Date under the First Non-Life Directive (73/239/EEC) having taken account of the transfer of the Transferring Business,

Order means an order of the High Court pursuant to section 111 of the Act sanctioning the Transfer and any order (including any subsequent order) in relation to this Transfer made by the High Court making provision under section 112 of the Act,

Outsourcing Agreements means

- (i) the claims administration services agreement between (1) the Transferor and (2) Garwyn Limited (company number 01030489) dated 4 November 2009, and
- (ii) the claims handling services agreement between (1) the Transferor and (2) WNS Global Services (UK) Limited (company number 02292251) dated 5 November 2009,
- (iii) the service level agreement between (1) Greenwoods Solicitors and (2) Principle Marketing Services Limited (company number 06203397) dated 20 May 2008 which was novated to the Transferor pursuant to a novation agreement between (1) Greenwoods Solicitors (2) Principle Marketing Services Limited and (3) the Transferor dated 1 November 2011,

(each an **Outsourcing Agreement**),

Outwards Reinsurance means any reinsurance or retrocession policy under which the Transferor is reinsured in respect of a Policy forming part of the Business,

Part 4A Permission means permission given by the Insurance Regulator under Part 4A of the Act to carry on regulated activities,

Permits means any approvals, authorisations, consents, registrations, franchises, licences, permits or certificates of a Governmental Authority,

Policy and **Policyholder** has the meaning set out in section 424(2) of the Act and Regulation 2 of the Financial Services and Markets Act 2000 (Meaning of "Policy" and "Policyholder") Order 2001 (S I 2001/2361),

RAO means the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (S I 2001/544),

Related Policy means any Policy forming part of the Business to the extent that it gives rise to rights under a Residual Reinsurance,

Related Reinsurance means any Outwards Reinsurance to the extent that it provides cover in respect of a Residual Policy

Remaining Business means Residual Policies, Residual Reinsurance, Related Policies and Related Reinsurance,

Residual Policy means any Policy forming part of the Business that is not or is not capable of being transferred on the Effective Date by the Transfer or by any vesting order under section 112 of the Act and is not otherwise transferred,

Residual Reinsurance means any Outwards Reinsurance which is not or is not capable of being transferred on the Effective Date by the Transfer or by any vesting order under section 112 of the Act and is not otherwise transferred,

Service Provider means a party providing services to the Transferor under an Outsourcing Agreement,

Subsequent Transfer Date means

- a) in the case of a Residual Policy or a Residual Reinsurance, the date on which the Transferor's rights and liabilities under such Residual Policy and Residual Reinsurance are transferred to the Transferee whether by means of novation or as a result of any necessary consent or waiver being obtained or the making of a court order dispensing with such consent or waiver or otherwise, and
- b) in the case of a Related Policy or Related Reinsurance to the extent that rights and liabilities under such policy or reinsurance are retained by the Transferor pursuant to Clause 4.2, the Subsequent Transfer Date for the relevant Residual Reinsurance or the relevant Residual Policy or, if earlier and in the case of a Related Policy only, the date on which the relevant Residual Reinsurance is commuted,

Transfer means 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 means R&Q Insurance (Malta) Limited (company number C 59505) a company incorporated under the laws of Malta,

Transferor means Principle Insurance Company Limited (company number 06203350) a company incorporated under the laws of England and Wales,

Transferring Business means the Business and assets and liabilities attributable to the Business, being

- a) the rights, claims and liabilities arising under or by virtue of or in connection with the Transferring Policies and the Outwards Reinsurance,
- b) all other assets (including property, investments and cash) owned by the Transferor and comprised in or relating to the Business, including
 - i) all premiums, subrogation recoveries and other receivables that relate to the Business,
 - ii) the benefit of the Security,
 - iii) all causes of action against third parties relating to the Business whatsoever and howsoever arising,
 - iv) all transferable Permits used in connection with the Transferring Business,
 - v) all goodwill associated with the Business, and
- c) the Transferring Records

Transferring Policy means any Policy (that is not a Residual Policy) forming part of the Business under which any liability or contingent liability remains unsatisfied or outstanding at the Effective Date,

Transferring Records means all documents, files, books and other 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,

Transferring Reinsurance means any Outwards Reinsurance or part of an Outwards Reinsurance that is not a Residual Reinsurance,

Security means any letter of credit, deposit, trust fund or reserve of funds or other security of which the Transferor has the benefit to the extent to which it provides security for payment of claims under the Outwards Reinsurance

1 2 In this Transfer unless the context otherwise requires or expressly provides

1 2 1 references to Clauses and Schedules are to Clauses and Schedules to this Transfer,

- 1 2 2 **assets** includes property, rights and powers of any description,
- 1 2 3 **liabilities** includes duties and obligations of every description (whether present or future, actual or contingent),
- 1 2 4 **novation** includes transfer or assignment,
- 1 2 5 **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 6 **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 in respect of the period after the Effective Date,
- 1 2 7 the singular includes the plural and vice versa and any reference to one gender includes the other,
- 1 2 8 headings are for convenience only and shall not affect the interpretation of this Transfer,
- 1 2 9 save as expressly provided otherwise, any reference in this Transfer to an enactment, a statutory provision or any subordinate legislation shall be deemed to include a reference to that enactment, statutory provision or subordinate legislation as amended, replaced or re-enacted from time to time after the date of this Transfer and to any instrument or order made from time to time after the date of this Transfer under such enactment, statutory provision or subordinate legislation,
- 1 2 10 any reference to a person shall include a reference to any individual, company, firm, partnership, joint venture, association, organisation, trust or agency, whether or not having a separate legal personality,
- 1 2 11 if a period of time is specified from a given day or date or from the day or date of an actual event, it shall be calculated exclusive of that day or date,
- 1 2 12 any reference to writing shall include any modes of reproducing words in a legible and non-transitory form,

1 2 13 the expression variation or varied shall include any variation, supplement, deletion, replacement or termination, however effected, and

1 2 14 any reference to **including** shall mean **including without limitation**

2 INTRODUCTION

2 1 The Transferor is an insurance company authorised in the UK with permission under Part 4A of the Act to carry out contracts of general insurance in classes 1 to 3, 7 to 10, 13 and 16 to 18 set out in Part 1 of Schedule 1 of the RAO

2 2 The Transferee is an authorised insurance company incorporated in Malta and authorised by the Malta Financial Services Authority with permission to undertake general insurance business in classes 1 to 18 of the Third Schedule to the Malta Insurance Business Act 1998 (which classes equate to classes 1 to 18 of Part I of Schedule 1 of the RAO)

3 TRANSFER OF THE TRANSFERRING BUSINESS

3 1 Subject to Clause 3 2, 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 Transfer

3 2 In the event that the Transferor's Part 4A Permission remains in effect at the Effective Date, the Transferor shall, to the extent necessary to ensure that it will continue to meet its MCR, retain from the assets comprised within the Transferring Business to be transferred pursuant to Clause 3 1 assets equal in value on the Effective Date to its MCR. Such retained assets shall be transferred to the Transferee as soon as may be practicable following cancellation of the Transferor's Part 4A Permission. The Transferor shall take all such steps as are reasonably practicable to obtain cancellation of its Part 4A Permission at the earliest practicable time following the Effective Date

3 3 On and with effect from the Effective Date

3 3 1 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 Transfer, 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 Transfer,

3 3 2 in each of the Outsourcing Agreements 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 relevant Service Provider, its board of directors or other officers, partners, employees or agents to the Transferor shall, to the extent necessary to give full effect to the Transfer, 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 relevant Service Provider, its board of directors or other officers, partners, employees or agents to the Transferee subject to and in accordance with the terms of the Transfer, and

3 3 3 the Transferring Reinsurance shall continue in force with the substitution of the Transferee in place of the Transferor as the reinsured party and on the terms which applied before the Effective Date and on the basis that the Transferee is reinsured thereby or the beneficiary thereof for all purposes as if all references therein (however worded and whether express or implied) to the Transferor were references to the Transferee

3 4 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 and (subject to Clause 5 3) the Residual Policies and the Residual Reinsurance

3 5 The sums and benefits referred to in Clause 3 4 shall include (without limitation) all premiums and reinsurance recoveries attributable or referable to the Transferring Business or the Residual Policies

3 6 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 7 Funds held by the Transferor in a bank account complying with the investment principles of Shari'a law at the Effective Date shall be held by the Transferee in such a bank account from the Effective Date until such time as the Transferee is satisfied that all outstanding insurance liabilities relating to the Transferring Business have been discharged

4 TRANSFER OF RESIDUAL POLICIES AND RESIDUAL REINSURANCE

- 4 1 The Transferor's rights and liabilities under Residual Policies and Residual Reinsurance shall transfer to and vest in and become rights and liabilities of the Transferee with effect from the applicable Subsequent Transfer Date. With effect from that date the provisions of this Transfer shall apply to the relevant Residual Policies and Residual Reinsurance as if references to Transferring Policies and Transferring Reinsurance were references to such Residual Policies and Residual Reinsurance respectively and as if references to the Effective Date were to the relevant Subsequent Transfer Date
- 4 2 The Transferor shall retain the right to be indemnified under any Related Reinsurance in respect of any liability arising out of a Residual Policy until the Subsequent Transfer Date in relation to that Related Reinsurance. With effect from that date the Transferee shall have the right to be indemnified in respect of any such liability
- 4 3 Insofar as it is necessary to ensure that indemnity under a Residual Reinsurance will still be available in respect of any liability arising under a Related Policy, the Transferor shall remain liable under such Related Policy until the Subsequent Transfer Date for the Residual Reinsurance. With effect from such Subsequent Transfer Date the Transferee shall assume liability under such Related Policy as if it were a Transferring Policy and this Transfer shall apply to such Related Policy as if it were a Transferring Policy and as if references to the Effective Date were to such Subsequent Transfer Date
- 4 4 The Transferor shall on and with effect from the Effective Date hold its rights under each Residual Policy and each Residual Reinsurance on trust for the Transferee absolutely until
- 4 4 1 the applicable Subsequent Transfer Date, or
- 4 4 2 such other date as the Transferor and the Transferee shall otherwise agree

and until then the Transferee shall indemnify the Transferor in accordance with Clause 5

- 4 5 In the event that a Residual Reinsurance is commuted the Transferor shall account to the Transferee for the proceeds of such commutation
- 4 6 Until the first to occur of the events referred to in Clauses 4 4 1 and 4 4 2 the Transferee shall have authority to act as the attorney of the Transferor in respect of its rights under the Remaining Business for all purposes, and shall have the power to give reasonable directions to the Transferor for any lawful purpose in connection with such rights, and such authority and power shall include, without limitation, authority and power in relation to the exercise, enforcement, variation, commutation compromise, settlement or transfer of such rights

5 INDEMNITY

- 5 1 From the Effective Date the Transferee shall indemnify and keep indemnified the Transferor against any loss or expense incurred by or demand made against the Transferor that is attributable to the Transferring Business, the Transferring Policies or Transferring Reinsurance whether arising before or after the Effective Date
- 5 2 Subject to Clause 5 3, from the Effective Date the Transferee shall observe and perform the Transferor's obligations under the Remaining Business and shall indemnify and keep indemnified the Transferor against and in respect of any liability, loss or expense incurred by or demand made against the Transferor that is attributable to the same, in the case of Residual Policies, to the extent only that they are not recovered under any Related Reinsurance
- 5 3 The amount of any payment by the Transferee to the Transferor in respect of a liability under a Residual Policy or Related Policy pursuant to the indemnity contained in Clause 5 1 shall be the amount of the liability less any sum already received by the Transferor under a Residual Reinsurance or Related Reinsurance at the time of payment by the Transferee (and for the avoidance of doubt the provisions of Clause 3 4 shall from that time no longer apply to any sum so deducted) The Transferor shall reimburse the Transferee in respect of any payment made by the Transferee in discharge of a liability under a Residual Policy or Related Policy pursuant to Clause 5 1 out of and to the extent of any recovery subsequently made in respect of such liability under a Residual Reinsurance or Related Reinsurance Pending reimbursement to the Transferee, the Transferor shall hold such recovery on trust for the Transferee

6 LEGAL PROCEEDINGS AND CONTINUITY

- 6 1 Any judicial, quasi-judicial, administrative or arbitration proceedings or any complaint or claim to any ombudsman or other proceedings for the resolution of a dispute or claim (whether current or future) by, against or in relation to the Transferor in respect of, or in connection with, the Transferring Business shall be commenced and/or continued by, against or in relation to the Transferee from the Effective Date. 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 and the Transferor shall have no liability under those proceedings and, for the avoidance of doubt, the Transferee, in its absolute discretion, may discontinue any such proceedings brought by the Transferor.
- 6 2 Until the relevant Subsequent Transfer Date the Transferee shall have the right to direct the conduct of any legal proceedings which at the Effective Date are pending by or against the Transferor in relation to the Remaining Business or any of part of it.
- 6 3 Any proceedings after the Effective Date commenced in error against the Transferor shall be deemed to have been commenced and shall be continued against the Transferee without the need for further order, whether for substitution of parties or otherwise.
- 6 4 Any judgment, order or award obtained by or against the Transferor which relates to any part of the Transferring Business and which is not fully satisfied before the Effective Date shall, on and from that date, become enforceable by or against the Transferee.

7 PREMIUMS, MANDATES ETC.

- 7 1 All premiums attributable or referable to the Transferring Policies shall from the Effective Date be payable to the Transferee.
- 7 2 Any direct debit mandate, standing order or other instruction or authority in force on the Effective Date including any instruction given to a bank by its customer in the form of a direct debit or standing order and providing for payment by a bank or other intermediary of premiums or other sums payable to the Transferor under or in respect of any Transferring Policy or other contract that forms part of the Transferring Business shall thereafter take effect as if it had provided for and authorised such payment to the Transferee.

- 7 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 or any other contract which forms part of the Transferring Business shall continue in force as an effective mandate instruction or authority to or of the Transferee

8 PERSONAL DATA

- 8 1 On and with effect from the Effective Date, the Transferee shall

- 8 1 1 succeed to all rights, liabilities and obligations of the Transferor in respect of any personal data which relates to the Transferring Business and which is subject to the Data Protection Act 1998,
- 8 1 2 become the data controller of any personal data which relates to the Transferring Business and which is subject to the Data Protection Act 1998 in place of the Transferor and shall be deemed to have been the controller of all such data at all material times when personal data was processed,
- 8 1 3 in respect of any personal data which relates to the Transferring Business be under the same duty by virtue of any law as the Transferor was under to respect the confidentiality and privacy of any person in relation to that personal data and shall be bound by any specific notice or consent given, or request made by, the data subject which was binding on the Transferor and which required a Transferor not to use the personal data for marketing purposes, and
- 8 1 4 in any consent given by a data subject in respect of such data as is mentioned in this Clause 8, any reference to the Transferor shall be deemed to include a reference to the Transferee

9 FURTHER ASSURANCE

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

10 THIRD PARTIES

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

11 THE EFFECTIVE DATE

- 11 1 Subject to the High Court having made an Order under Section 111 of the Act sanctioning this Transfer, the Transfer shall take effect at 23 59 (London time) on
- 11 1 1 30 June 2015 unless the directors of the Transferor and the Transferee have resolved before that date that it shall not take effect on such date, and
- 11 1 2 if the said directors do so resolve, such other date (not being later than 31 July 2015) as the said directors shall determine
- 11 2 If this Transfer does not take effect on or before 31 July 2015, or such later date as the Court may allow upon the application of the Transferor and the Transferee, it shall lapse

12 MODIFICATION

The Transferee may, with the consent of the Transferor, agree on behalf of all persons concerned to any modification of or addition to this Transfer or to any further condition or provision affecting the same that the High Court may approve or impose, whether before or after the Effective Date, provided that any modification to the substance of the Transfer may only be made with the consent of the Insurance Regulator. For the avoidance of doubt the consent of the Transferor shall not be required following dissolution of the Transferor

13 COSTS

Policyholders shall not bear any costs and expenses in relation to the Scheme save those which the Court considers are just for them to incur

14 GOVERNING LAW

This Transfer shall be governed by and construed in accordance with English law

26 March 2015

No. 2139 of 2015

IN THE HIGH COURT OF JUSTICE

CHANCERY DIVISION

COMPANIES COURT

IN THE MATTER OF

PRINCIPLE INSURANCE COMPANY
LIMITED

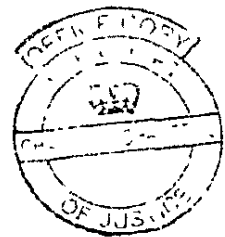
and

R&Q INSURANCE (MALTA) LIMITED

AND

IN THE MATTER OF PART VII OF THE
FINANCIAL SERVICES AND MARKETS
ACT 2000

INSURANCE BUSINESS TRANSFER
SCHEME



Clyde & Co LLP
The St Botolph Building
138 Houndsditch
London
EC3A 7AR
Ref: GEQ/HND/1409217

No 2139 of 2013
IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
COMPANIES COURT

IN THE MATTER OF
PRINCIPLE INSURANCE COMPANY LIMITED

- and -

IN THE MATTER OF
R&Q INSURANCE (MALTA) LIMITED

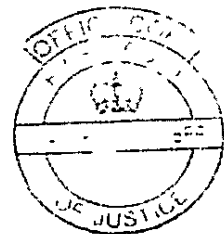
- and -

IN THE MATTER OF
PART VII OF THE FINANCIAL SERVICES AND
MARKETS ACT 2000

ORDER

Clyde & Co LLP
The St Botolph Building
138 Houndsditch
London
EC3A 7AR

Ref LXP/GEQ/ 1409217





**BANK OF ENGLAND
PRUDENTIAL REGULATION
AUTHORITY**

TO: Principle Insurance Company Limited / 467853

OF: 2 Minster Court, London, EC3R 7BB

WRITTEN NOTICE

TAKE NOTICE: The Prudential Regulation Authority of 20 Moorgate, London, EC2R 6DA ("the PRA") has decided to take the following action:

ACTION

Following an application received from Principle Insurance Company Limited (the "Firm") pursuant to section 551(2) of the Financial Services and Markets Act 2000 ("the Act") for cancellation of its permission under Part 4A of the Act, the PRA has decided to cancel the Firm's permission

As a result, the PRA must give a direction under section 33(2) of the Act withdrawing the Firm's status as an authorised person, and this is hereby given

EFFECTIVE DATE

The withdrawal of the Firm's status as an authorised person will take effect on 9 December 2015

DECISION MAKER

The decision to give this notice was made by Pete Gardner on behalf of the PRA. The FCA has been consulted as part of the process