

SCHEME SUMMARY

1. Introduction

1.1 This statement contains a summary of the terms of the **Scheme** to transfer the **Long Term Insurance Elements** of the **ETI Policies** and **PPI Policies** from **QBE** to **Syndicate 44**.

1.2 To help you understand some of the key words and phrases used in this summary, we have put them in bold and set out the definitions for them at section 7 of this summary.

2. Purpose

The purpose of the **Transfer** is to transfer the **Long Term Insurance Elements** of the **ETI Policies** and the **PPI Policies** from **QBE** to **Syndicate 44**.

3. Transfer of Business

3.1 The Scheme provides for the transfer of the **Long Term Insurance Elements** (if any) of the **ETI Policies** and the **PPI Policies** to be transferred to **Syndicate 44**. **Syndicate 44** is a part of the Society of Lloyd's and is authorised to transact long term insurance business in the UK. Assuming the **High Court** sanctions the **Scheme** then, on the **Effective Date**, all of the **Long Term Insurance Elements**, and all assets and liabilities connected with the **Long Term Insurance Elements**, of the **ETI Policies** and the **PPI Policies** will transfer to Syndicate 44.

3.2 In the event that some of the **Long Term Insurance Elements** of an **ETI Policy** or a **PPI Policy** are unable to be transferred to **Syndicate 44** on the **Effective Date**, they will remain with **QBE** unless and until transferred by **QBE** to **Syndicate 44** at a later date.

3.3 The **General Insurance Elements** of an **ETI Policy** or any **PPI Policy** will remain with **QBE**.

3.4 The administration of the **ETI Policies** will be continued by **Premia** and the administration of the **PPI Policies** will be continued by **Abraxas**.

4. Payments

4.1 As the administration of the **ETI Policies** will be continued by **Premia** and the administration of the **PPI Policies** will be continued by **Abraxas**, the **Transfer** will not affect in any way your existing arrangements in relation to the payment of your premiums, if any.

4.2 All payments (including claims) due from **QBE** in respect of the **Long Term Insurance Elements** will, from the **Effective Date**, be payable by **Syndicate 44** but will continue to be administered by **Abraxas** or **Premia**.

5. Rights and Obligations

Any right you may have against **QBE** under an **ETI Policy** or a **PPI Policy** in respect of the **Long Term Insurance Elements** will, from the **Effective Date**, become a right against **Syndicate 44**. However, as the administration of the **ETI Policies** will be continued by **Premia** and the administration of the **PPI Policies** will be continued by **Abraxas**, you should continue to notify **Abraxas** or **Premia** (as appropriate) of any claim under your policy and this will continue to be dealt with by **Abraxas** or **Premia** (as appropriate) from the same office and by the same personnel as before.

6. **Modifications or additions**

QBE and **Syndicate 44** may propose modifications or additions to the **High Court** at the final hearing of the **Scheme** and seek the **High Court's** consent to amend the terms of the **Scheme** at a later date if certain requirements are met. Such amendments would be subject to the Financial Services Authority, the insurance industry regulator, having been notified and the approval of the **High Court**.

7. **Definitions**

Abraxas means Abraxas Insurance Administration Services Limited, the administrator of the **PPI Policies**

Effective Date means the date on which the Transfer comes into operation. Subject to the approval of the High Court, this is expected to be at 23.59 on 31 March 2010

ETI Policies means certain early termination insurance policies underwritten by **QBE** between 19 January 2005 and 27 February 2009 which were sold through and are administered by **Premia**

General Insurance Elements means those insurance elements in an **ETI Policy** or a **PPI Policy** which constitute general insurance, such as unemployment cover

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

Long Term Insurance Elements means those insurance elements in an **ETI Policy** or a **PPI Policy** which constitute long term insurance, such as life cover and, if your policy is for a term of 60 months or more, accident and illness cover

Premia means Premia Solutions Limited, the administrator of the **ETI Policies**

PPI Policies means certain payment protection insurance policies underwritten by **QBE** between 2 February 2005 and 31 March 2007 which were sold through and are administered by **Abraxas**

QBE means QBE Insurance (Europe) Limited

Scheme means the document which sets out the terms of the **Transfer**

Syndicate 44 means Syndicate 44 at Lloyd's

Transfer means the proposed transfer of the **Long Term Insurance Elements** of the **ETI Policies** and the **PPI Policies** from **QBE** to **Syndicate 44**