

[Name]

Address

Address

Address

Postcode

Date 19 November 2018

Important information - proposed transfer of your NSW Motor Vehicle Compulsory Third Party Policies to Gordian

Dear [Sir or Madam],

We are writing to you as our records show that you are or were a holder (or a representative of a holder) of a NSW motor vehicle compulsory third party (**CTP**) policy issued by Zurich Australian Insurance Limited (ABN 13 000 296 640) (**Zurich**) with a notified claim which is in progress or otherwise outstanding. Please read this letter and the enclosed documents carefully as they provide you with important information.

What is happening?

Zurich announced in December 2015 that it would cease offering NSW motor vehicle compulsory third party policies (**Policies**). Zurich has not sold any new Policies since 30 September 2016, choosing instead to focus on growing our core business. Zurich's compulsory third party activities in NSW are now dedicated to managing claims rather than issuing new Policies.

In February this year, Zurich entered into an agreement with Gordian RunOff Limited (ABN 11 052 179 647) (**Gordian**) for Gordian to acquire Zurich's NSW motor vehicle compulsory third party insurance portfolio, which includes your policy, subject to the approval of the Federal Court of Australia (the **Proposed Transfer**). Gordian is an Australian authorised general insurer and a wholly owned subsidiary of Enstar Group Limited (registered in Bermuda under company number 30916) (**Enstar**).

Enstar is a publicly traded company on the NASDAQ stock market (ticker symbol: ESGR), established to acquire and manage insurance and reinsurance companies in run-off and provide management, consulting and other services to the global insurance and reinsurance industry. Since formation, Enstar has completed the acquisition of over 80 insurance and reinsurance companies and portfolios of business and has more than 1,300 employees in 27 offices worldwide. For more information, please refer to www.enstargroup.com.

Enstar Australia Limited (ABN 99 096 363 923) (**Enstar Australia**), another wholly owned subsidiary of Enstar, has been handling claims made in respect of the Policies on behalf of

Zurich since 15 June 2018 and, if the Proposed Transfer is successfully implemented, Enstar Australia will continue to handle claims made in respect of the Policies on behalf of Gordian.

How will the Proposed Transfer be effected?

The Proposed Transfer will be effected by way of a scheme under Division 3A of Part III of the *Insurance Act 1973* (Cth). This process requires that the scheme which effects the transfer of the Policies from Zurich to Gordian (**Scheme**) must be confirmed by the Federal Court of Australia (**Court**).

In addition, Zurich and Gordian are consulting with the Australian Prudential Regulation Authority (**APRA**) and the State Insurance Regulatory Authority (**SIRA**) in relation to the Proposed Transfer to seek their consent and approval, where required. The approval requirements include the requirement for Gordian to obtain a licence issued by SIRA under CTP legislation in New South Wales. Gordian has begun the licence application process.

The Court hearing, which will consider and, if appropriate, confirm the Scheme, is currently scheduled to take place at 10.15am on 18 December 2018 at Law Courts Building, Queens Square, Sydney NSW 2000.

If Court confirmation is granted and once the Scheme is implemented:

- your Policy or Policies will transfer to Gordian at 12.01am on 31 December 2018, or such other date as the Court may specify (the **Transfer Time**);
- your insurer will change from Zurich to Gordian under your Policy; and
- all existing, and any future, claims made in respect of the Policies after the implementation of the Scheme will be the responsibility of Gordian.

Will anything change?

The Scheme will have no impact on the terms of your Policy or Policies (except that the insurer will change to Gordian).

The terms and conditions of, and your rights and obligations under, your Policy or Policies will not change, and you will have the same cover as before the implementation of the Scheme.

Any claims which have not been fully resolved before the Transfer Time will automatically continue to be handled by Enstar Australia on behalf of Gordian rather than Zurich.

Our contact details for claims made in respect of the Policies will remain the same until the Scheme is confirmed and the Proposed Transfer is complete. Gordian will contact each holder of a Policy with a notified claim which is in progress or otherwise outstanding after completion of the Proposed Transfer with information about new contact arrangements.

How are you protected?

Your interests, and the interests of other policyholders, are being looked after by a review process which includes:

- an actuary, Geoff Atkins from Finity, producing an actuarial report dated 13 November 2018 for the Court on the likely impact of the Scheme on affected policyholders (**First Actuarial Report**);
- a second actuary, Kaise Stephan from Deloitte producing an actuarial report dated 14 November 2018 on the Scheme (**Second Actuarial Report**);
- close consultation with our regulators, APRA and SIRA;
- the ability for you and other policyholders to attend the Court hearing and be heard on the application for confirmation of the Scheme;
- the right of APRA to attend the Court and be heard on the application (the Court looks to APRA as somewhat of a watchdog to protect the interests of affected policy owners and third party claimants); and
- the requirement for confirmation of the Scheme by the Court.

The Court will only confirm the Scheme if it considers it appropriate.

What should you do next?

Holders of a Policy are required to be given a Scheme Summary (approved by APRA) before we can apply to the Court for confirmation of the Scheme.

We enclose a Scheme Summary, which has been approved by APRA, relating to the Scheme which you should read carefully, as it includes important details of how the Scheme may affect your rights as an affected policyholder.

Unless you want to raise any concerns or object to the Proposed Transfer, you do not have to take any further action.

You may attend the Court hearing on 18 December 2018 at 10.15am at Law Courts Building, Queens Square, Sydney NSW 2000. Any person who, in the Court's opinion, may be affected by the Scheme can ask the Court, at the hearing, to be heard on the application. If you wish to be heard at the hearing, please contact our lawyers, King & Wood Mallesons (Attention: Ms Meredith Paynter), Governor Phillip Tower, 1 Farrer Place, Sydney NSW 2000 (telephone 02 9296 2000) by 17 December 2018 at 1pm.

Keeping you informed

If the Scheme is confirmed by the Court, or if there are any changes to the transfer process (such as changes to the Court hearing date), we will update our website www.zurich.com.au/ctptransfer with this information.

Further information

You can find more detailed information at www.zurich.com.au/ctptransfer including the Scheme document, the First Actuarial Report, the Second Actuarial Report, the Notice of Intention and the enclosed Scheme Summary. We recommend that you review these documents.

You can also call Zurich's Customer Care Centre on 1800 290 838. Phone lines are open from 9.00am to 5.00pm Monday to Friday (excluding public holidays in New South Wales). If you prefer, you can write to us at Zurich Australian Insurance Limited, CTP Transfer, PO Box 677, North Sydney NSW 2059 or by email to ctp.transfer@zurich.com.au. Alternatively, you can contact Enstar Australia on (02) 8062 4288.

These contact details can also be used to request free copies of the documents relating to the Scheme or to ask any further questions.

Privacy statements and confirmations from Gordian and Enstar Australia – How is your personal information affected?

As part of the Proposed Transfer, Gordian (as transferee) and Enstar Australia (as its service provider) will collect personal information about Zurich Policy holders as described below.

Zurich currently holds personal information about all holders of Policies, whether or not a claim has been notified. The records are mainly held in electronic form, but also with a limited amount as paper hard copies in Australia. As part of the Proposed Transfer, these records will become the property of Gordian, and will continue to be held in electronic form and as paper hard copies, as applicable, in Australia.

The records continue to be held to permit each person entitled to cover under the Policies to receive that cover. Following the Proposed Transfer, Gordian will use the information to manage claims made under your Policy and for the same purposes that Zurich informed you about when you first obtained your Policy. Following the Proposed Transfer, the provision of claims services will be handled by a team in New South Wales and files will be held securely in New South Wales, however a limited amount of information will be held on computer systems in the United States of America which are owned by related bodies of Enstar. Where any information is transferred out of Australia, Gordian and Enstar have complied with, and will at all times comply with the Privacy Act of Australia and the Health Records Information Privacy Act of NSW. Where any information is to be held outside Australia, Gordian and Enstar will be parties to legally binding agreements with their overseas related parties that ensure compliance with the Privacy Act of Australia and the Health Records Information Privacy Act of NSW. Personal information may also be disclosed to relevant government entities as required by law, and to other insurers and participants in litigation as is reasonably necessary to

resolve claims and make payment in respect of Policy obligations. No personal information is used or disclosed for marketing purposes.

You continue to have a right under law to ask to access any personal information held about you, and to ask for correction of any information that is not accurate, complete or up to date. The privacy policy of Gordian and Enstar Australia is available by contacting Enstar Australia's Risk and Compliance Manager by email at complianceaustralia@enstargroup.com, or by mail to Enstar Australia's Sydney office at GPO Box 3931 Sydney NSW 2001, telephone (02) 8062 4288. That policy includes information about these rights and also details of how you can complain about a breach of the Australian Privacy Principles.

If you would like this information in large print, in Braille or on a CD please call Zurich's Customer Care Centre on 1800 290 838.

Yours sincerely,

**Hilary Bates
Chief Claims Officer - General Insurance
Zurich Australian Insurance Limited**