



downlands

[DATE]

Dear Sir / Madam

THIS LETTER AND ITS ENCLOSURES ARE IMPORTANT – PLEASE READ THEM CAREFULLY
Hartford Fire Insurance Company (UK Branch) - proposed intra-group insurance business transfer

This letter is being sent to you as our records show that you have an insurance or reinsurance policy or policies with Hartford Fire Insurance Company (“**Hartford Fire**”), placed through its UK branch. We are writing to provide you with important details in relation to the proposed transfer of your policy.

Introduction

Hartford Fire is incorporated in Connecticut and is part of The Hartford Financial Services Group, Inc. (the “**Hartford Group**”), a US-based Fortune 500 insurance and investment group. Hartford Fire operated in international reinsurance business known as Hart Re International, including through its UK branch (“**Hart Re**”), which wrote reinsurance business between 1993 and 2002. It also operated branches in Paris, Munich, Milan and Madrid, which wrote pure reinsurance business; for the avoidance of doubt European branch business will not be included within the transfer. These branches ceased writing new business and have been in run-off since 2001/2. The run-off of the UK branch has been handled in the UK by a Hartford Group company, Downlands Liability Management Limited (“**DLM**”), which will continue to be the case after the transfer.

DLM House
Downlands Business Park
Lyons Way
Worthing
West Sussex
BN14 9RX

Downlands Liability Management Limited Registered in England No.3625107
Registered Office - DLM House, Downlands Business Park, Lyons Way, Worthing, West Sussex BN14 9RX

CLOSURE MANAGEMENT & CUSTOMISED SERVICES

The Hartford Group includes other insurance and reinsurance business written by other members of the Hartford Group that is administered in the UK. All of this business is in run-off. The Hartford Group is proposing that any such business is consolidated and transferred into a single UK-incorporated, regulated group company: Hartford Financial Products International Limited (“**HFPI**”), which is also in run-off.

The purpose of the Transfer is to simplify the legal structure of the UK run-off businesses of the Hartford Group. Combining all of its UK-based run-off liabilities into a single business instead of four separate companies will also enable the Hartford Group to reduce costs and achieve greater capital efficiency in preparation for the new European capital regulations, Solvency II.

The Transfer

The consolidation will formally take place by way of an insurance business transfer scheme under Part VII of the Financial Services and Markets Act 2000 (the “**Transfer**”).

To become effective the Transfer must be approved by the High Court of Justice in England (the “**Court**”). The Court will consider whether the Transfer is fair and whether policyholders’ interests are safeguarded. In doing so, it will take into account the views of the UK financial regulators, the Prudential Regulation Authority (“**PRA**”) and the Financial Conduct Authority (“**FCA**”), as well as the opinion of an Independent Expert, whose appointment has been approved by the PRA and the FCA, and any objections received by affected parties.

A summary of the Independent Expert’s report is enclosed; his overall conclusion is as follows: *“I conclude that the security provided to policyholders would be equivalent or improved after the Transfer, that no group of policyholders would be adversely affected to a material extent by the Transfer, that the level of customer service provided to policyholders would be unaffected by the Transfer, and that therefore there is no reason that the Transfer should not go ahead.”*

The Court hearing is currently scheduled for 13 October 2015 and, if approved, it is expected that the Transfer will become effective on 15 October 2015.

In addition to the business within Hart Re, the other UK insurance and reinsurance businesses of the Hartford Group that will be transferred to HFPI are:

1. all business written by Excess Insurance Company Limited, which was acquired by the Hartford Group in 1973; and
2. certain insurance liability and reinsurance business written by London & Edinburgh Insurance Company Limited (which is now part of the Aviva group) for which the Hartford Group has ultimate financial responsibility.

The Transfer will include all corresponding assets, including reinsurance assets, matching the insurance and reinsurance policies to be transferred.

Action required

You are not required to take any action in relation to the Transfer. If approved by the Court, your policies and claims will automatically transfer to HFPI. Other than this, there will be no change to any policy terms or the way in which your claims are administered and all existing contact details will remain the same. Claims will continue to be managed by the existing run-off manager, DLM, which is also part of the Hartford Group.

However, if you believe that you will be adversely affected by the Transfer, you have the right to make written representation to the Court or be heard at the Court hearing to approve the Transfer (in person or by legal representation). The Court hearing is currently scheduled to take place on 13 October 2015 at the Rolls Building, Royal Courts of Justice, 7 Rolls Buildings, Fetter Lane, London EC4A 1NL, UK. Any person who intends to appear at the Court, or to make representations in writing, is requested to notify the Hartford Group's solicitors, Freshfields Bruckhaus Deringer LLP, as soon as possible and ideally at least 2 days before the Court hearing at 65 Fleet Street, London, EC4Y 1HS (Ref 138865-0034/GHFS/NAG/LEH). You can also call or write to DLM using the contact details set out under "Further information" below. We will bring any representations received to the attention of the PRA, FCA and Court at the hearing when it decides whether to grant its approval of the Transfer.

It is possible that there may be other parties with an interest under your policy or policies with Hart Re (for example, joint holders, assignees, subsidiaries or affiliates). If you believe that any other party may be affected by the Transfer in relation to any of your policies, please forward a copy of this letter and its enclosures on to them as soon as possible.

Further information

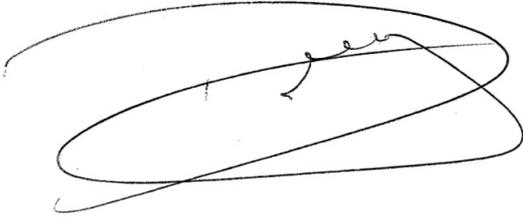
To help you to consider how the Transfer may affect you, a summary of the key terms of the Transfer is provided in the enclosed booklet along with a summary of the Independent Expert's report, which considers the effect of the Transfer on policyholders and policyholder security. A set of frequently asked questions and answers and a legal notice setting out the date of the Court hearing and further details about how you can object to the Transfer are also included.

If you would like any further information or copies of the Transfer documents, free of charge, or have any other queries relating to the Transfer please contact the DLM helpline on +44(0)1903 836 822, or by email to HartfordPartVII@downlandsliaability.com, or in writing to Roland Jackson, Downlands Liability Management Limited, DLM House, Downlands Business Park, Lyons Way, Worthing, West Sussex BN14 9RX. The helpline will be open between the hours of 9.00 a.m. and 5.30 p.m. from Monday to Friday UK time. When calling the helpline number outside of these hours, please leave a short message stating the nature of your query and your contact details and DLM will endeavour to return your call within 48 hours (excluding Saturdays, Sundays and Bank Holidays).

Alternatively, copies of all documents relating to the Transfer, including the full terms of the legal document that will give effect to the Transfer and the full report of the Independent Expert, can be downloaded, free of charge, from the Transfer website at www.downlandsliaability.com. Updates regarding the Transfer will be posted onto the website from time to time including any changes to the date of the Court hearing and a copy of any supplemental report prepared by the Independent Expert.

We would encourage any person to discuss with us any queries that they may have regarding the Transfer as soon as possible.

Yours faithfully

A handwritten signature in black ink, appearing to read 'D. S. Rooney', enclosed within a large, loopy oval scribble.

David S Rooney
Managing Director of Downlands Liability Management Limited
For and on behalf of
Hartford Fire Insurance Company (UK Branch)