

**Designed for:** Independent Financial Agents who made an Insurance Intermediary Agreement with Branch as of May 1, 2017

**RE:** Notice of Insurance Assets Acquisition AIG  
Information on Commission Arrangements

**Dear Business Partner,**

Thank you very much for your existing cooperation and confidence, in particular in relation to the processes and acts associated with the transfer of the Slovak Branch insurance assets of QBE Insurance (Europe) Limited, our predecessor to our company.

A proof of the presented strategy of the owner of our company (insurance and reinsurance company Fairfax Financial Holdings Limited), i.e. to operate at a long-term basis and to extend substantially its insurance assets within the region of Central and Eastern Europe, is the **acquisition of insurance assets from AIG Europe Limited** residing at The AIG Building, 58 Fenchurch Street, London EC3M 4AB, United Kingdom, namely its branches in Slovakia, Czech Republic, Hungary, Poland, Bulgaria and Romania.

In view of nature of AIG portfolio where predominant are policies of commercial and industrial lines insurance with annual renewals intermediated by insurance intermediaries, the transfer of insurance assets means, inter alia, that:

1. Since May 1, 2017, the employees of AIG Europe Limited, a branch of the insurance company from another Member state, residing at AC Diplomat, Palisády 29, 811 06 Bratislava (hereinafter referred to "AIG Branch") become employees of the Slovak Branch of Colonnade (hereinafter referred to "Colonnade Branch");
2. The insurance products, including terms and conditions of insurance, the wording of policies and other documents, of AIG Branch shall be assumed by the Colonnade Branch to the extent and under conditions as agreed upon previously with AIG;
3. Since **May 1, 2017** Colonnade will, in cooperation with the insurance intermediaries, apply its right to submit policy proposals, which after being accepted for the following insurance period by the policyholders replace the AIG Branch policies.  
Unless the risk parameters of a policy remain unchanged, the Colonnade policy proposal will include the same scope, conditions and premiums as agreed upon in the original AIG Branch policy.
4. The claim settlement and the policy administration underwritten by AIG shall be provided by the Colonnade Branch.

Colonnade Branch hereby declares that if the insurance intermediary mediates concluding a policy as described in point 3 above, the entitlement to the percentage of the commission agreed upon in the original AIG policy shall be kept and be carried out in the form of an individually agreed commission for a specific policy.

The insurance products of the original AIG Branch shall be included under Colonnade Insurance Intermediary Agreement into Property and Liability Insurance of individual and corporate entrepreneurs and into D&O liability insurance. In the case of making a new policy on the assumed AIG products the commissions as agreed upon in the Colonnade Insurance Intermediary Agreement shall apply to the above mentioned classes of insurance unless otherwise agreed upon individually in respect of underwriting.

Dear Business Partner,

Furthermore, we would like to inform you that since May 1, 2017, under the **CLAIMS HANDLING & RUN-OFF MANAGEMENT AGREEMENT** between AIG and Colonnade, all services associated with **AIG policies** shall be provided by Colonnade through Colonnade Insurance S.A., a branch of the insurance company from another Member state, namely the policy administration, claim settlement and any other operations and services relating to the completion of Company obligations under policies made. In addition, we would like to emphasize that the said conferred exercise of operations shall in no way affect the terms and conditions of policies of AIG clients (policyholders), and no action is required to be undertaken by them in relation to this process. We shall inform the AIG clients on this in the first contact, though within three months at the latest.

We are ready to answer any of your inquiries at the address:

*Colonnade Insurance S.A., pobočka poisťovne z iného členského štátu, Štúrova 27, 042 80 Košice, by phone on the telephone number 0850 111 333 or by e-mail on [info@colonnade.sk](mailto:info@colonnade.sk).*

We are looking forward to our cooperation.

Kind regards,

Košice, 20 April 2017

**Peter Císar**  
**Branch Manager**