

Press Release

Pro Global first to file new company application under Rhode Island Insurance Regulation 68

- Ground-breaking new Rhode Island Regulation 68 allows transfer of run-off portfolios for the first time in the US
- Pro Global expected to form the first Rhode Island carrier established specifically to accept run-off portfolios
- Pro Global already has a pipeline of clients ready to be involved
- Value of US business in run-off estimated to be as much as \$100 billion

14th June 2016 – Pro Global Insurance Solutions plc (Pro), the leading reinsurance and insurance services provider, is the first company to file an application, via its US subsidiary, for a new domestic insurance company in Rhode Island, to facilitate Insurance Business Transfers (IBT) under the August 18th 2015 amendment to Rhode Island Insurance Regulation 68.

Regulation 68, modelled after the very successful Part VII in the UK, allows for the transfer of portfolios of business into a Rhode Island protected cell company.

Pro Global has over 25 years of experience internationally managing run-off and is expected to form the first Rhode Island carrier established specifically to accept run-off portfolios, subject to regulatory approval. The newly amended regulation balances stakeholder interests and fills a tremendous need in the US insurance market. The value of US business in run-off is estimated to be as much as \$100 billion.

IBT frees up trapped capital, management, and administrative resources. Until now, a run-off portfolio in the US had to be managed in its entirety; and existing methods of disposing of a run-off portfolio did not provide true finality to the transferring re(insurer).

In 2007 Rhode Island legislature changed the Statute to allow (re)insurers to transfer blocks of business into a shell company in Rhode Island. The 2015 update of Regulation 68 now provides a process to separate run-off portfolios and 'lift and drop' them into separate 'protected cells' within a single Rhode Island domestic insurer that assumes the risk of the run-off portfolio by means of a statutory novation. The ability to transfer separate run-off

portfolios combined with the finality of the statutory novation to the Rhode Island insurer will provide (re)insurers with IBT options previously unavailable in the US.

Artur Niemczewski, CEO, Pro Global, said: “Pro Global has over 25 years’ proven track record of creating value for clients through proactive run-off management. We are serious leaders in this field and believe the new carrier, to be known as ‘ProTucket’, will allow us to better serve our global client base. For many businesses, the Rhode Island Regulation allows more effective management of legacy portfolios and a new way of releasing trapped capital. The pipeline of clients ready to be involved in Rhode Island clearly demonstrates Pro’s commitment to our ‘Client First’ strategy to deliver tangible solutions and create value for our clients.”

Mory Katz, US Managing Director, Pro Global, added: “We have worked closely with the Regulator as they have ushered in this ground-breaking regulation and we are the first to file for a new carrier. Pro’s Rhode Island 68 carrier, ‘ProTucket’, will continue our growth in the United States and establish us as a major player in legacy services in the US, as we are in the UK. This move reinforces our intention to be a leading reinsurance and insurance services provider in the US.”

-ENDS-

For further information please contact FWD:

Matt Beasley

+44 (0)20 7623 2368

matt.beasley@fwdconsulting.co.uk

Matthew Longbottom

+44 (0)20 7623 2368

matthew.longbottom@fwdconsulting.co.uk

Notes to Editors

About Pro plc

Pro plc is a specialist in the provision of operational outsourcing and consulting services, focusing solely on the global insurance and reinsurance industry. Our mission is to create value for our clients at each stage of their operations, by enabling them to focus on what they do best and helping them improve their operations.

Pro plc operates across the entire spectrum of client needs, from market entry to exit; from live to legacy business. We are best known for our ability to manage the operations that matter most to our clients and have been involved with some of the biggest and most complex assignments in the market. Examples include a cost reduction program for a global reinsurer through centralization of its operations from 15 to 2 locations and the management of over 25 legacy portfolios with collective liabilities in excess of \$5bn.

We add value in four main areas:

- **Risk, Audit and Compliance:** internal and external audits including peer reviews and coverholder audits; providing risk management and compliance frameworks to ensure compliance within a changing regulatory environment.
- **Operational consulting:** helping improve the efficiency and effectiveness of client operations and manage major change.
- **Technical outsourcing:** providing underwriting, claims and technical accounting support to complement internal teams; client sectors include risk carriers, brokers and MGAs.
- **Legacy solutions:** managing discontinued business through outsourcing or consulting to extract maximum value and enable clients to focus on core business activities; client sectors include risk carriers and brokers.

Our people are industry practitioners with many years of experience in running, often complex, reinsurance and insurance operations. As experienced professionals, we can be trusted to use our initiative, blending easily with our clients' ways of working and becoming effectively an extension of their teams.

Pro plc is a global company, with 5 main offices in London, Cologne, Zurich, New York and Buenos Aires. These primary hubs are supported by regional operations in Gloucester, Hamburg, York (US) and Chicago and satellite offices in Bogota, Lima, Peru, Sao Paulo, Sydney, Florida, Texas and California.

Pro plc comprises Pro Global Insurance Solutions Ltd, Pro IS Inc, the Chilton Group and STRIPE as well as Pro Claims Solutions GmbH (previously trading as Assekuranz Service- und Sachverständigengesellschaft mbH), a leading German disability claims management company. Pro plc also owns 30% of Asta, the leading Lloyd's turnkey managing agency. Pro plc is listed on the AIM market.

For more information, visit our website: www.pro-global.com