



**IN THE HIGH COURT OF JUSTICE**

**CR-2025-004099**

**BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES**

**COMPANIES COURT (ChD)**

**Mr Justice Hildyard**

CR-2025-004099

**Date: 2 December 2025**

**IN THE MATTER OF  
MERCANTILE INDEMNITY COMPANY  
LIMITED  
-and-  
IN THE MATTER OF  
ROMBALDS RUN-OFF LIMITED  
-and-  
IN THE MATTER OF  
RIVER THAMES INSURANCE COMPANY  
LIMITED  
-and-  
IN THE MATTER OF  
PART VII OF THE FINANCIAL SERVICES  
AND MARKETS ACT 2000**

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**ORDER**

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**UPON THE APPLICATION** by Claim Form dated 22 July 2025 of Mercantile Indemnity Company Limited (**Mercantile**) and Rombalds Run-off Limited (together the **Transferors**) and River Thames Insurance Company Limited (the **Transferee**) (together the **Applicants**) seeking, *inter alia*, an order sanctioning an insurance business transfer scheme (the **Scheme**) pursuant to Part VII of the Financial Services and Markets Act 2000 (the **Act**);

**AND UPON HEARING** Martin Moore KC for the Applicants;

**AND UPON READING** the Claim Form and the evidence;

**AND UPON READING** the reports by the Prudential Regulation Authority (**PRA**) and the Financial Conduct Authority (**FCA**) and the subsequent letter dated 2nd December 2025 from the PRA to the Court;

**AND UPON** the Court being satisfied that the appropriate certificates have been obtained as referred to in Schedule 12 of the Act;

**AND THE COURT** being satisfied that the Applicants have complied with such of the requirements in Regulations 3(2) and 3(3) of the Financial Services and Markets Act 2000 (Control of Business Transfers) (Requirements on Applicants) Regulations 2001 (the **Regulations**) as were not waived pursuant to the order for directions in this matter dated 29 July 2025;

**AND UPON IT APPEARING** that a copy of the application, the report and the statement referred to in regulation 3(4) of the Regulations has been given free of charge to the PRA and the FCA in accordance with regulation 3(5) of the Regulations and that a period of more than 21 days has elapsed since the PRA and the FCA were given those documents;

**AND UPON** the Court considering that, in all the circumstances, it is appropriate, in relation to each of the Applicants, to sanction the Scheme set out in the Schedule to this Order;

**IT IS ORDERED THAT** all the terms of the Scheme shall as and from the dates and times therein provided take effect under section 112 of the Act without further act or instrument as if each were separately set out in this Order. Without prejudice to the generality of the foregoing:

- 1        the transfer of the Transferring Business (as defined in the Scheme) provided for by clauses 3 and 4 of the Scheme and the transfer of property and liabilities (as defined by sections 112(12) and (13) of the Act respectively) provided for thereby shall take effect pursuant to section 112(1)(a) of the Act and vest or transfer as provided for by section 112(3) of the Act as a result of this Order;
- 2        the provisions in clause 6 of the Scheme relating to the continuity of proceedings shall take effect pursuant to section 112(1)(c) of the Act;
- 3        the provisions of all other clauses of the Scheme not referred to in 1 and 2 above shall take effect pursuant to section 112(1)(d) of the Act;

**AND IT IS FURTHER ORDERED THAT**

- 4 Each reference to Mercantile in any periodical payment order under section 2 of the Damages Act 1996 (**PPO**) shall be deemed to be a reference to River Thames, without prejudice to any liability in respect of Mercantile arising prior to the Effective Date, so that with effect from the Effective Date each person who has the benefit of a PPO shall continue to have the same benefit as before the Effective Date. Without prejudice to the generality of the foregoing, any PPO made against Mercantile shall be deemed to have been made and shall be enforceable against and satisfied by the Transferee without the need for any further order and any reference to Mercantile in such PPO shall be deemed to be a reference to the Transferee.
- 5 The transfer of the Transferring Business or any other matter provided for by this Order or the Scheme shall not:
- (1) invalidate or discharge any agreement, document, instrument or other thing;
  - (2) constitute a breach of, or default under, or require any obligation to be performed sooner or later than would have otherwise been the case under, any agreement, document, instrument or other thing to which a Transferor or the Transferee is a party or is bound;
  - (3) allow any party to any agreement, document, instrument or other thing to terminate that document, agreement or instrument or other thing when he would not otherwise have been able to do so;
  - (4) entitle any party to the agreement, document, instrument or other thing to which a Transferor or the Transferee is a party or is bound to vary the terms of that agreement, document, instrument or other thing when he would not otherwise have been able to do so; or
  - (5) cause the imposition of any greater or lesser obligation on any party to any such agreement, document, instrument or other thing when that greater or lesser obligation would not otherwise have been imposed including the release of any obligation or liability of any party which would not have otherwise been released or release such liability or obligation sooner or later than would have otherwise been the case.

- 6 Under section 112(8)(b) of the Act, each of Mercantile and Rombalds shall be dissolved without winding-up with effect from the later of:
- (1) the Effective Date; and
  - (2) the second business day (being a day other than a Saturday or Sunday or any day on which banks are not open for business in London) following the day on which, the PRA having issued the necessary direction(s) under section 33(2) of the Act, a director of Enstar (EU) Limited certifies that the status of each of Mercantile and Rombalds as authorised persons has been withdrawn.
- 7 In accordance with Section 112(10) of the Act, two copies of this Order shall be deposited with the PRA within 10 days of the making of this Order, or such longer period as the PRA may allow.
- 8 The production of a copy of this Order and a copy of the certificate by a director of the Transferee that the Scheme has taken effect shall, for all purposes, be evidence of the transfer to, and vesting in, the Transferee of the Transferring Business in accordance with this Order and the Scheme.
- 9 There shall be liberty for each of the Applicants to apply to the Court:
- (1) for such Order(s) or directions as may be expedient or necessary for the purposes set out in section 112 of the Act;
  - (2) pursuant to paragraph 12 of the Scheme; and
  - (3) generally.

Dated this 2 December 2025

#### **SERVICE OF THIS ORDER**

The Court has provided a sealed copy of this order to the serving party:

**Bryan Cave Leighton Paisner LLP**

Governor's House, 5 Laurence Pountney Hill, London EC4R 0BR, United Kingdom

Ref: 2039998.000003 (GQUI/3Y7)

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## **Schedule The Scheme**

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**COMPANIES COURT (ChD)**

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**and**

**IN THE MATTER OF**  
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**IN THE MATTER OF**  
**RIVER THAMES INSURANCE COMPANY LIMITED**  
**and**

**IN THE MATTER OF**  
**PART VII OF THE FINANCIAL SERVICES AND MARKETS ACT 2000**  
**INSURANCE BUSINESS TRANSFER SCHEME**

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## 1. **INTERPRETATION**

- 1.1 In this insurance business transfer scheme, unless the context otherwise requires, the following words or phrases have the following meanings:

**Act** means the Financial Services and Markets Act 2000 together with the rules and regulations implemented pursuant thereto;

**Assets** means in respect of a Transferor all of the Transferor's cash at bank at the Effective Date (whether on current or deposit account), cash equivalents, corporate and government bonds, and other financial investments.

**American Policy** means a policy issued to an insured in the United States of America under the excess or surplus lines laws of any jurisdiction and forming part of the Business of Mercantile in respect of which the insured benefits from the protection of the Surplus Lines Trust;

**Business** means in the case of each Transferor the business comprising the orderly run-off of all liabilities arising under or by virtue of the general insurance and reinsurance business of the Transferor including, without prejudice to the generality of the foregoing, all activities carried on in connection with or for the purposes of such business;

**Cavello Bay** means Cavello Bay Reinsurance Limited;

**Cavello Bay 75% Quota Share Reinsurance Agreement** means the quota share reinsurance agreement dated 7 February 2017 entered into between RSAI (as reinsured) and Fitzwilliam 38 (as reinsurer), the rights interests obligations and liabilities of Fitzwilliam 38 under which were transferred by novation to Cavello Bay with effect from 3 May 2017, as amended by the Deed of Amendment with effect from 1 July 2019, and transferred by RSAI to Mercantile under the RSA Transfer with effect from 1 July 2019;

**Collateral and Security Documents** means the collateral and security documents which provide security in respect of the Cavello Bay 75% Quota Share Reinsurance Agreement including but not limited to:

- (a) a Collateral and Security Deed dated 28 April 2017 between Cavello Bay and RSAI, and a Custody Agreement dated 28 April 2017 between Cavello Bay, The Bank of New York Mellon London Branch and RSAI, the rights and interests of RSAI under each of which were transferred to Mercantile under the RSA Transfer; and
- (b) a parental guarantee provided by EGL;

**Complaint** means any oral or written expression of dissatisfaction, whether justified or not, from, or on behalf of, a Transferring Policyholder about the provision by a Transferor of, or failure by a Transferor to provide, a financial service prior to the Effective Date;

**Data Protection Laws** means the UK General Data Protection Regulation, the Data Protection Act 2018 and the EU General Data Protection Regulation (EU 2016/679);

**Data Subject** means an individual to whom the Transferring Personal Data relates;



**Data Subject Request** means any request from a Data Subject concerning his or her rights of access to, rectification, erasure, objection to or restriction of processing of Personal Data under the Data Protection Laws;

**Deed of Amendment** means the Deed of Amendment between Mercantile, Cavello Bay and Enstar Group Limited dated 4<sup>th</sup> June 2019, effective as of 1<sup>st</sup> July 2019, pursuant to which, inter alia:

- (a) certain documents were amended (including the Cavello Bay 75% Quota Share Reinsurance Agreement and certain of the Collateral and Security Documents); and
- (b) EGL undertook to provide Mercantile with sufficient assets to discharge liabilities arising from the unreinsured portion of its liabilities, to the extent it is unable to do so from its own resources, subject to a limit of £500 million;

**DISP** means the Dispute Resolution: Complaints part of the FCA's Handbook of Rules and Guidance;

**Effective Date** means the date and time on which the Scheme takes effect in accordance with Clause 11;

**EGL** means Enstar Group Limited, a company incorporated in Bermuda which is the ultimate parent company of the Transferors and the Transferee;

**FCA** means the United Kingdom Financial Conduct Authority (or any successor authority or authorities with responsibility for supervising the conduct of business requirements which apply to the carrying out of general insurance business in the United Kingdom);

**Fitzwilliam 38** means Fitzwilliam Insurance Limited acting in respect of its segregated account no. 38;

**FOS** means the United Kingdom's Financial Ombudsman Service;

**Governmental Authority** means any national, supra-national, federal, state, provincial or local government, political subdivision, governmental, regulatory, department, bureau, board or other administrative authority, agency, body or commission or self-regulatory organization and any court tribunal, or judicial or arbitral body;

**High Court** means the High Court of Justice of England and Wales;

**Intellectual Property Licence** means the licence (with the right to assign or sub-licence) to use certain intellectual property rights and trademarks granted to Mercantile by each of RSAI and The Marine Insurance Company Limited pursuant to the RSA Transfer;

**MCR** means the minimum capital requirement applicable to a Transferor;

**Mercantile** means Mercantile Indemnity Company Limited (company number 01500302) a company incorporated under the laws of England and Wales whose registered office is at 8<sup>th</sup> Floor, One Creechurch Place, London EC3A 5AY;

**NAIC** means the National Association of Insurance Commissioners International Insurers Department;

**Order** means an order of the High Court pursuant to section 111 of the Act sanctioning the Scheme and any order in relation to the Scheme made by the High Court on the same date making provision under section 112 of the Act;

**Outwards Reinsurance** means any reinsurance or retrocession policy under which a Transferor is reinsured in respect of a Policy forming part of the Business, including the Cavello Bay 75% Quota Share Reinsurance Agreement;

**Part 4A Permission** means permission given by the PRA under Part 4A of the Act to carry on regulated activities;

**Permits** means any approvals, authorisations, consents, registrations, franchises, licences, permits or certificates of a Governmental Authority;

**Personal Data** means any data relating to an identified or identifiable individual that are within the scope of protection as “personal data” under the Data Protection Laws;

**Policy** and **Policyholder** each has the meaning set out in section 424(2) of the Act and Regulation 2 of the Financial Services and Markets Act 2000 (Meaning of “Policy” and “Policyholder”) Order 2001 (S.I. 2001/2361);

**PPO** means a periodical payment order under section 2 of the Damages Act 1996;

**PRA** means the United Kingdom Prudential Regulation Authority (or any successor authority or authorities with responsibility for supervising the prudential requirements which apply to the carrying out of general insurance business in the United Kingdom);

**Proceedings** means any judicial, quasi-judicial, administrative or arbitration proceedings or any complaint or claim to any ombudsman or other proceedings for the resolution of a dispute or claim (whether pending, current or future);

**RAO** means the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (S.I. 2001/544);

**Related Policy** means any Policy forming part of the Business to the extent that it gives rise to rights under a Retained Reinsurance;

**Related Reinsurance** means any Outwards Reinsurance to the extent that it provides cover in respect of a Retained Policy;

**Retained Business** means Retained Policies, Retained Reinsurance, Related Policies and Related Reinsurance;

**Retained Policy** means any Policy forming part of the Business:

- (a) which the Court for any reason determines shall not be transferred by virtue of the Scheme or the Order and which is not transferred by any Vesting Order or otherwise; or
- (b) which for any other reason is not or is not capable of being transferred on the Effective Date by the Scheme or the Order or by any Vesting Order and is not otherwise transferred including for the avoidance of doubt the American Policies to the extent that the US Regulatory Requirements have not yet been satisfied as at the Effective Date;

**Retained Reinsurance** means any Outwards Reinsurance which is not or is not capable of being transferred on the Effective Date by the Scheme or the Order or by any Vesting Order and is not otherwise transferred;

**River Thames** means River Thames Insurance Company Limited (company number 00462838) a company incorporated under the laws of England and Wales whose registered office is at 8<sup>th</sup> Floor, One Creechurch Place, London EC3A 5AY;

**Rombalds** means Rombalds Run-off Limited (company number 06441337) a company incorporated under the laws of England and Wales whose registered office is at 8<sup>th</sup> Floor, One Creechurch Place, London EC3A 5AY;

**RSAI** means Royal & Sun Alliance Insurance Limited (formerly Royal & Sun Alliance Insurance plc) a company incorporated in England and Wales with registered number 00093792;

**RSA Transfer** means the transfer of general insurance business by each of RSAI and The Marine Insurance Company Limited to Mercantile under Part VII of the Act which became effective on 1 July 2019;

**Scheme** means the insurance business transfer scheme set out in this document with or subject to any modification, addition or condition approved or imposed by the High Court;

**Subsequent Transfer Date** means:

- (a) in the case of a Retained Policy (other than an American Policy) or a Retained Reinsurance, the date on which the relevant Transferor's rights and liabilities under such Retained Policy or Retained Reinsurance are transferred to the Transferee whether by means of novation or as a result of any necessary consent or waiver being obtained or the making of a court order dispensing with such consent or waiver or otherwise; and
- (b) in the case of a Retained Policy which is an American Policy, the later of the date referred to in paragraph (a) and the date on which the relevant US Regulatory Requirements are satisfied; and
- (c) in the case of a Related Policy or Related Reinsurance to the extent that rights and liabilities under such policy or reinsurance are retained by a Transferor pursuant to Clause 4.4, the Subsequent Transfer Date (within the meaning of paragraph (a) or paragraph (a) above) for the relevant Retained Reinsurance or the relevant Retained Policy or, if earlier, and in the case of a Related Policy only, the date on which the relevant Retained Reinsurance is commuted (provided that if the Related Policy is an American Policy the relevant US Regulatory requirements have been satisfied);

**Surplus Lines Trust** means the trust fund established by Mercantile for the benefit of insureds in the United States of America and governed by the terms of a trust agreement entered into between Mercantile and The Bank of New York Mellon effective as of 1 July 2019;

**Tax Assets and Liabilities** means all assets or liabilities to, or in respect of, taxation, duties and other imposts which are attributable to the Transferring Business in respect of the period prior to the Effective Date;

**Third Party Contracts** means all contracts to which a Transferor is party or of which it is beneficiary which relate to its Business other than the Policies and the Outwards Reinsurance including but not limited to all contracts or other documents

evidencing any security or collateral of which a Transferor holds the benefit and the Collateral and Security Documents and the Deed of Amendment and intragroup claims handling and policy administration outsourcing agreements entered into with Enstar (EU) Limited;

**Transferee** means River Thames;

**Transferors** means Mercantile and Rombalds, each a **Transferor**;

**Transferring Business** means the entirety of each Transferor's Business and all assets and liabilities of a Transferor, including in the case of each Transferor:

- (a) the rights, claims and liabilities (including for the avoidance of doubt liabilities related to the mis-selling of a Transferring Policy) arising under or by virtue of or in connection with the Transferring Policies or the Transferring Reinsurance; or
- (b) the rights, claims and liabilities arising under or by virtue of or in connection with the Third Party Contracts;
- (c) all assets comprised in or relating the Transferor's Business, including:
  - (i) all premiums, subrogation recoveries and other receivables that relate to the Business;
  - (ii) all causes of action against third parties relating to the Business whatsoever and howsoever arising;
  - (iii) all transferable Permits used in connection with the Business;
  - (iv) all goodwill associated with the Business;
  - (v) in the case of Mercantile only the Intellectual Property Licence;
  - (vi) the Assets;
- (d) the Transferring Records;
- (e) the Tax Assets and Liabilities;
- (f) to the extent not comprised in paragraph (a) to paragraph (e):
  - (i) all assets and rights whatsoever and wheresoever owned by the Transferor as at the Effective Date in connection with the Business;
  - (ii) all debts, liabilities and obligations of the Transferor which were outstanding or accrued as at the Effective Date in connection with the carrying on of the Business;

**Transferring Personal Data** means any Personal Data contained in the Transferring Records which is subject to the Data Protection Laws and which relates to the Transferring Business;

**Transferring Policy** means any Policy or part thereof underwritten by or on behalf of a Transferor or assumed by that Transferor (whether by way of novation or portfolio transfer or insurance business transfer or otherwise howsoever) under which any liability or contingent liability remains unsatisfied or outstanding at the Effective Date and, with effect from the applicable Subsequent Transfer Date, any such Policy which is a Retained Policy or a Related Policy;

**Transferring Records** means all documents, files, books and other records (held in whatever medium) in the possession or control of a Transferor up to the Effective Date including (but not limited to) any books and records relating to underwriting and outstanding claims, and all accounting and financial records;

**Transferring Reinsurance** means any Outwards Reinsurance or part of an Outwards Reinsurance and, with effect from the applicable Subsequent Transfer Date, any Outwards Reinsurance which is a Retained Reinsurance or Related Reinsurance;

**US Regulatory Requirements** means either the establishment by the Transferee of a successor equivalent trust to the Surplus Lines Trust in the form required by the NAIC providing security for insureds who immediately prior to the Effective Date have the benefit of the Surplus Lines Trust or the amendment with the approval of the NAIC of the Agreement governing the Surplus Lines Trust to transfer grantor status to the Transferee such that such insureds will continue to have the benefit of the Surplus Lines Trust on and from the Effective Date;

**Vesting Order** means any order made by the High Court in relation to the Scheme after the date of the Order making provision under section 112 of the Act.

- 1.2 In this Scheme unless the context otherwise requires or expressly provides:
- 1.2.1 references to Clauses and Schedules are to Clauses and Schedules to this Scheme;
  - 1.2.2 **assets** includes property, rights and powers of any description;
  - 1.2.3 **liabilities** includes duties and obligations of every description (whether present or future, actual or contingent);
  - 1.2.4 **novation** includes transfer or assignment;
  - 1.2.5 **property** includes money, goods, things in action, land and every description of property whatever situated and also obligations and every description of interest, whether present, future or vested or contingent, arising out of, or incidental to, property;
  - 1.2.6 **rights** includes benefits, powers and claims of every description (whether present, future, actual or contingent) including without limitation rights to the repayment of taxation, duties or other imposts in respect of the period after the Effective Date;
  - 1.2.7 the singular includes the plural and vice versa and any reference to one gender includes the other;
  - 1.2.8 headings are for convenience only and shall not affect the interpretation of this Scheme;
  - 1.2.9 save as expressly provided otherwise, any reference in this Scheme to an enactment, a statutory provision or any subordinate legislation shall be deemed to include a reference to that enactment, statutory provision or subordinate legislation as amended, replaced or re-enacted from time to time after the date of this Scheme and to any instrument or order made from time to time after the date of this Scheme under such enactment, statutory provision or subordinate legislation;

- 1.2.10 any reference to a person shall include a reference to any individual, company, firm, partnership, joint venture, association, organisation, trust or agency, whether or not having a separate legal personality;
- 1.2.11 if a period of time is specified from a given day or date or from the day or date of an actual event, it shall be calculated exclusive of that day or date;
- 1.2.12 any reference to writing shall include any modes of reproducing words in a legible and non-transitory form;
- 1.2.13 the expression variation or varied shall include any variation, supplement, deletion, replacement or termination, however effected; and
- 1.2.14 any reference to **including** shall mean **including without limitation**.

## 2. INTRODUCTION

- 2.1 Mercantile is an insurance company authorised in the United Kingdom with permission under Part 4A of the Act, *inter alia*, to carry out contracts of general insurance in the UK in the classes listed in paragraphs 1, 2, 4, 5, 6, 7, 8, 9, 11, 12, 13, 14, 15, 16 and 17 of Part 1 of Schedule 1 to RAO.
- 2.2 Rombalds is an insurance company authorised in the United Kingdom with permission under Part 4A of the Act, *inter alia*, to carry out contracts of general insurance in the UK in all classes listed in Part 1 of Schedule 1 to RAO.
- 2.3 River Thames is an insurance company authorised in the United Kingdom with permission under Part 4A of the Act, *inter alia*, to carry out contracts of general insurance in the UK in all classes listed in of Part 1 of Schedule 1 to RAO.

## 3. TRANSFER OF THE TRANSFERRING BUSINESS

- 3.1 Subject to Clauses 3.2, 3.3, 3.4 and 4.4 on and with effect from the Effective Date:
  - 3.1.1 all liabilities of each Transferor in respect of the Transferring Business as at the Effective Date shall be transferred to and shall become liabilities of the Transferee and shall cease to be liabilities of the relevant Transferor and the Transferee shall accept such liabilities (including those arising under each Transferring Policy, whether such Transferring Policy is governed by English law or the laws of another jurisdiction);
  - 3.1.2 the Transferring Business and all the estate and interest of each Transferor in the Transferring Business shall by the Order and any Vesting Order and without any further act or instrument be transferred to and vest in the Transferee in accordance with and subject to the terms of this Scheme; and
  - 3.1.3 in any document evidencing or constituting a Transferring Policy, references to a Transferor and/or to rights, powers, duties and/or obligations imposed upon that Transferor, its board of directors or other officers, employees or agents and/or to liabilities of the Policyholders to that Transferor shall, to the extent necessary to give full effect to the Scheme, be read, construed and treated as references to the Transferee and/or to rights, powers, duties and/or obligations imposed upon the Transferee, its board of directors or other officers, employees or agents of the Transferee and/or to liabilities of the Policyholders to the Transferee subject to and in accordance with the terms of the Scheme. For the avoidance of doubt, references to the Transferor in this paragraph include any predecessor to a Transferor as insurer under a Transferring Policy.

- 3.2 On, or as soon as practicable after, the Effective Date, each Transferor shall transfer all of its Assets to the Transferee.
- 3.3 Rights and liabilities under the American Policies shall transfer on the later of:
  - 3.3.1 The Effective Date; and
  - 3.3.2 The date on which the relevant US Regulatory Requirements are satisfied.
- 3.4 In the event that a Transferor's Part 4A Permission remains in force at the Effective Date, that Transferor shall to the extent necessary to ensure that it will continue to meet its MCR, retain from the assets comprised within the Transferring Business assets equal in value on the Effective Date to its MCR. Each Transferor shall take all such steps as are reasonably practicable to obtain cancellation of its Part 4A Permission and a direction from the PRA under section 33(2) of the Act withdrawing its status as an authorised person at or at the earliest practicable time following the Effective Date following which it will transfer the assets retained to meet its MCR to the Transferee.
- 3.5 On and with effect from the Effective Date the Transferring Reinsurance shall continue in force with the substitution of the Transferee in place of the relevant Transferor as the reinsured party and on the terms which applied before the Effective Date and on the basis that the Transferee is reinsured thereby or the beneficiary thereof for all purposes as if all references therein (however worded and whether express or implied) to the relevant Transferor (including any predecessor to the Transferor as cedant under the relevant Transferring Reinsurance) were references to the Transferee.
- 3.6 On and with effect from the Effective Date, all references (however worded and whether express or implied) to a Transferor in Third Party Contracts shall be read and construed as references to the Transferee and such contracts shall take effect as if the Transferee were the original party to them in place of the relevant Transferor (or of any predecessor of the relevant Transferor as party to the relevant contract).
- 3.7 On and with effect from the Effective Date, and subject to Clause 5.3 each Transferor shall pay to the Transferee all sums, and account to the Transferee for all benefits, which may be received by the relevant Transferor in respect of the Transferring Business and the Retained Business.
- 3.8 The sums and benefits referred to in Clause 3.7 shall include (without limitation) all premiums and reinsurance recoveries attributable or referable to the Transferring Business or the Retained Business.
- 3.9 On the Effective Date the Transferor shall, to the extent in its possession or control, deliver or cause to be delivered to the Transferee the Transferring Records which are capable of being transferred by delivery.
4. **TRANSFER OF RETAINED POLICIES AND RETAINED REINSURANCE**
- 4.1 Each Transferor's rights and liabilities under Retained Policies and Retained Reinsurance shall transfer to and vest in and become rights and liabilities of the Transferee with effect from the applicable Subsequent Transfer Date. With effect from that date the provisions of this Scheme shall apply to the relevant Retained Policies and Retained Reinsurance as if references to the Effective Date (save in this Clause 4 and Clause 5.2) were to the relevant Subsequent Transfer Date.
- 4.2 Each Transferor shall retain the right to be indemnified under any Related Reinsurance in respect of any liability arising out of a Retained Policy until the

Subsequent Transfer Date applicable to that Retained Policy. With effect from that date the Transferee shall have the right to be indemnified under the Related Reinsurance in respect of any such liability.

- 4.3 Insofar as it is necessary to ensure that indemnity under a Retained Reinsurance will still be available in respect of any liability arising under a Related Policy, the relevant Transferor shall remain liable under such Related Policy until the Subsequent Transfer Date applicable to the Retained Reinsurance. With effect from such Subsequent Transfer Date the Transferee shall assume liability under such Related Policy and this Scheme shall apply to such Related Policy as if references to the Effective Date (save in this Clause 4 and Clause 5.2) were to such Subsequent Transfer Date.
- 4.4 Each Transferor shall on and with effect from the Effective Date hold its rights under contracts forming part of the Retained Business on trust for the Transferee absolutely until:
- 4.4.1 the applicable Subsequent Transfer Date; or
- 4.4.2 such other date as the Transferor and the Transferee shall agree
- and until then the Transferee shall indemnify the relevant Transferor in accordance with Clause 5.
- 4.5 In the event that a Retained Reinsurance is commuted the relevant Transferor shall account to the Transferee for the proceeds of such commutation.
- 4.6 Until the first to occur of the events referred to in Clauses 4.4.1 and 4.4.2 the Transferee shall have authority to act as the attorney of the relevant Transferor in respect of its rights under the Retained Business for all purposes, and shall have the power to give reasonable directions to the relevant Transferor for any lawful purpose in connection with such rights; and such authority and power shall include, without limitation, authority and power in relation to the exercise, enforcement, variation, commutation, compromise, settlement or transfer of such rights.

## **5. INDEMNITY**

- 5.1 From the Effective Date, save in respect of the Retained Business, the Transferee shall indemnify and keep indemnified each Transferor against any loss or expense incurred by or demand made against the relevant Transferor that is attributable to the Transferring Business, the Transferring Policies or Transferring Reinsurance whether arising before or after the Effective Date.
- 5.2 Subject to Clause 5.3, from the Effective Date until the applicable Subsequent Transfer Date the Transferee shall observe and perform each Transferor's obligations under the Retained Business on the relevant Transferor's behalf and shall indemnify and keep indemnified such Transferor against and in respect of any liability, loss or expense incurred by or demand made against that Transferor that is attributable to the same, and in the case of Retained Policies and Related Policies, to the extent only that they are not recovered under any Related Reinsurance or Retained Reinsurance.
- 5.3 The amount of any payment by the Transferee to a Transferor in respect of a liability under a Retained Policy or Related Policy pursuant to the indemnity contained in Clause 5.2 shall be the amount of the liability less any sum already received by that Transferor under a Retained Reinsurance or Related Reinsurance at the time of payment by the Transferee (and for the avoidance of doubt the provisions of Clause 3.7 shall from that time no longer apply to any sum so deducted). The relevant Transferor shall reimburse the Transferee in respect of any payment made by the



Transferee in discharge of a liability under a Retained Policy or Related Policy pursuant to Clause 5.2 out of and to the extent of any recovery subsequently made in respect of such liability under a Retained Reinsurance or Related Reinsurance. Pending reimbursement to the Transferee, the relevant Transferor shall hold such recovery on trust for the Transferee.

**6. LEGAL PROCEEDINGS, CONTINUITY AND COMPLAINTS**

- 6.1 Any Proceedings by, against or in relation to a Transferor in respect of or in connection with the Transferring Business shall be commenced and/or continued by, against or in relation to the Transferee from the Effective Date. The Transferee shall be entitled to all defences, claims, counterclaims and rights of set-off that would have been available to the relevant Transferor in relation to such Proceedings and the relevant Transferor shall have no liability under those Proceedings and, for the avoidance of doubt, the Transferee, in its absolute discretion, may discontinue any such Proceedings brought by a Transferor.
- 6.2 Until the relevant Subsequent Transfer Date, the Transferee shall have the right to direct the conduct of any Proceedings which at the Effective Date are pending by or against a Transferor in relation to the Retained Business or any part of it.
- 6.3 On and with effect from the Effective Date:
  - 6.3.1 any Proceedings commenced against a Transferor in respect of or in connection with the Transferring Business shall be deemed to have been commenced and shall be continued against the Transferee and the Transferee shall accept that any order, award or other determination made against the relevant Transferor pursuant to any Proceedings concerning the Transferring Business shall be enforceable against the Transferee without the need for further order, whether for substitution of parties or otherwise, and shall be dealt with by the Transferee;
  - 6.3.2 the Transferee shall comply with any such order, award or other determination in any Proceedings, whether commenced before or after the Effective Date, that is not subject to further appeal (including, for the avoidance of doubt, where the Proceedings relate to a Complaint which is within the jurisdiction of the FOS under the provisions of DISP, with any direction or award made by the FOS and any settlement made in such Proceedings).
- 6.4 Following the Effective Date the Transferors and the Transferee shall use reasonable endeavours to obtain the substitution of the Transferee for the relevant Transferor as a Party to any Proceedings in respect of or in connection with the Transferring Business in any jurisdiction outside the UK and until such substitution is effected the Transferee shall have the right to direct the conduct of such Proceedings.
- 6.5 The Transferee shall not assert in any dispute, controversy, claim or proceeding in any jurisdiction arising out of or in connection with a Transferring Policy that the Scheme is ineffective or invalid under the law of that jurisdiction to transfer rights and obligations under the Transferring Policy to the Transferee.
- 6.6 Any final judgment, order or award in respect of or in connection with the Transferring Business that is not subject to further appeal obtained:
  - 6.6.1 by or against a Transferor and which is not fully satisfied before the Effective Date shall, on and from that date, become enforceable by or against the Transferee;

6.6.2 against a Transferor on or after the Effective Date shall be enforceable by or against the Transferee;

and the Transferee shall comply with such judgment, order or award.

6.7 From the Effective Date, each reference to Mercantile in any PPO shall be deemed to be a reference to River Thames, without prejudice to any liability in respect of Mercantile arising prior to the Effective Date, so that with effect from the Effective Date each Mercantile policyholder who has the benefit of a PPO shall continue to have the same benefit as before the Effective Date. Without prejudice to the generality of the foregoing, any PPO made against Mercantile shall be deemed to have been made and shall be enforceable against and satisfied by the Transferee without the need for any further order and any reference to Mercantile in such PPO shall be deemed to be a reference to the Transferee.

6.8 In relation to any Complaint which is within the jurisdiction of the FOS under the provisions of DISP, the Transferee shall comply with each provision of DISP which relates to complaints handling procedures to be followed by an insurer in dealing with complaints arising from general insurance business.

## **7. PREMIUMS, MANDATES ETC.**

7.1 All premiums attributable or referable to the Transferring Policies shall from the Effective Date be payable to the Transferee.

7.2 Any direct debit mandate, standing order or other instruction or authority in force on the Effective Date including any instruction given to a bank by its customer in the form of a direct debit or standing order and providing for payment by a bank or other intermediary of premiums or other sums payable to a Transferor under or in respect of any Transferring Policy or other contract that forms part of the Transferring Business shall thereafter take effect as if it had provided for and authorised such payment to the Transferee.

7.3 Any mandate or other instruction or authority in force on the Effective Date as to the manner of payment by a Transferor of any sum payable under any Transferring Policy or any other contract which forms part of the Transferring Business shall continue in force as an effective mandate, instruction or authority to or of the Transferee.

## **8. PERSONAL DATA**

8.1 On and with effect from the Effective Date, the Transferee shall:

8.1.1 succeed to all rights, liabilities and obligations of each Transferor in respect of Transferring Personal Data;

8.1.2 become the controller of any Transferring Personal Data in place of each Transferor;

8.1.3 in respect of any Transferring Personal Data, be under the same duty by virtue of any law as each Transferor was under to respect the confidentiality and privacy of any person in relation to that Transferring Personal Data;

8.1.4 not process any Transferring Personal Data in a manner that is inconsistent with any specific notice that has been provided by a Transferor to Data Subjects;

8.1.5 be responsible for responding to Data Subject Requests (with each Transferor to provide all necessary assistance required to respond to such Data Subject Requests).

## **9. FURTHER ASSURANCE**

The Transferors and the Transferee shall each take such steps and execute such documents as may reasonably be required to effect or perfect the transfer to the Transferee of the Transferring Business.

## **10. THIRD PARTIES**

Other than for the purpose of enforcing rights against the Transferee, no term of this Scheme shall be enforceable by any person other than either Transferor or the Transferee.

## **11. THE EFFECTIVE DATE**

11.1 Subject to the High Court having made the Order and all conditions in the Order being satisfied in full, the Scheme shall take effect at 00:01 (London time) on:

11.1.1 1 January 2026 unless the directors of each Transferor and the Transferee have resolved before that date that it shall not take effect on such date; and

11.1.2 if the said directors do so resolve, such other date (not being later than 1 July 2026) as the said directors shall determine.

11.2 If this Scheme does not take effect on or before 1 July 2026 or such later date as the High Court may allow upon the application of the Transferors and the Transferee, this Scheme shall lapse.

11.3 The Transferors shall notify the PRA and the FCA if a resolution is made deferring the date on which the Scheme is to become effective and shall give prior notice to the PRA and FCA of any application pursuant to Clause 11.2. The PRA and the FCA shall be entitled to be heard at any such application.

11.4 For the avoidance of doubt, in the event that the Scheme does not become effective in relation to either Transferor, this shall not prevent the Scheme from becoming effective in relation to the other Transferor and shall have no impact on the transfer of the Transferring Business of the other Transferor pursuant to the Scheme.

## **12. MODIFICATION**

12.1 The Transferors may, with the consent of the Transferee, agree on behalf of all persons concerned to any modification of or addition to this Scheme or to any further condition or provision affecting the same that the High Court approves or imposes, whether before or after the Effective Date, provided that any modification to the substance of the Scheme (being a change to the terms of this Scheme which is not immaterial) may only be made with the prior consent of the PRA and the FCA.

12.2 The Transferors shall notify the PRA and the FCA of any application to modify the Scheme whether before or after the Effective Date. The PRA and the FCA shall be entitled to be heard at any such application.

13. **GOVERNING LAW**

This Scheme shall be governed by and construed in accordance with English law.

2 December 2025.

**No: CR-2025-00499**

**IN THE HIGH COURT OF JUSTICE**

**BUSINESS AND PROPERTY COURTS**  
**OF ENGLAND AND WALES**

**COMPANIES COURT (ChD)**

**IN THE MATTER OF**  
**MERCANTILE INDEMNITY COMPANY**  
**LIMITED**

**and**

**IN THE MATTER OF**  
**ROMBALDS RUN-OFF LIMITED**

**and**

**IN THE MATTER OF**  
**RIVER THAMES INSURANCE**  
**COMPANY LIMITED**

**and**

**IN THE MATTER OF**  
**PART VII OF THE FINANCIAL**  
**SERVICES AND MARKETS ACT 2000**

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**INSURANCE BUSINESS TRANSFER**  
**SCHEME**

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