



Brexit Frequently Asked Questions (FAQs)

1. How did UnitedHealthcare Global prepare for Brexit?

- UnitedHealthcare Insurance dac (the Company) is an Irish insurer authorised by the Central Bank of Ireland (CBI).
- Prior to the United Kingdom (UK) leaving the European Union (EU) on 31st January 2020, the Company conducted its UK business on the basis on the EU Services Directive. This allowed the Company to use ‘passporting rights’ to provide services in the UK.
- Between 31st January 2020 and 31st December 2020, ‘passporting rights’ remained in existence under the Transition Period which allowed the Company to provide services in the UK as if the UK was still part of the EU.
- In December 2018, the Company made an application under Part 4A of the Financial Services and Markets Act 2000 to the UK regulators, the Prudential Regulation Authority (PRA) and Financial Conduct Authority (FCA).
- This was an application to establish a third country branch in the UK and be authorised as an insurer in the UK.
- By submitting the application at that time, the Company received notification from the PRA that it would be able to continue operating in the UK under the Temporary Permissions Regime (TPR) until the Company is directly authorised by the PRA and the FCA.
- Under the TPR and whilst the application is being reviewed, the Company will be “deemed to be authorised” as an insurer in the UK and will be able to provide services as if it were an authorised UK insurer.
- This Brexit strategy is in line to those being adopted by other European Economic Area (EEA) insurers who wish to carry on doing business in the UK after Brexit.

2.

How will the Company continue to provide services to UK clients during the TPR whilst it waits for the PRA to approve its application for authorisation?

- With effect from 1st January 2021 the Company will continue to operate in the UK under the TPR.
- The TPR was established by the UK Government to allow European Economic Area (EEA) - based firms - such as our Company - that were passporting into the UK at the end of the transition period (31 December 2020) to continue operating in the UK within the scope of their previous passport permission for a limited period after the end of the transition period.
- The purpose of the TPR is to allow time for EEA firms to be authorised by the UK Regulators so they can continue to provide services in the UK.
- The Company has already submitted its application with the PRA to seek full authorisation to operate in the UK as a UK branch. The application is currently being reviewed by the PRA.
- Whilst the Company's application is being reviewed the Company has deemed authorisation. This allows the Company to continue providing the same services it did in the UK previously.
- The TPR is currently scheduled to run until the end of 2023. It is possible that this could be extended. It is not clear at this stage when the Company's application to establish our UK branch will be authorised.
- Once authorised, the Company will conduct its UK business through its UK branch.

3.

What has been the impact of the trade deal agreed between the EU and the UK?

- On 24th December 2020, the UK and the EU agreed to a new Trade and Cooperation Agreement to govern the future trading and security relationship now that the UK has left the EU.
- With respect to financial services including insurance, the UK and the EU have agreed in a non-binding declaration to establish a framework for regulatory co-operation.
- The Company will continue to follow the Brexit plan it has implemented as has been set out above.

4.

Is there any disadvantage in dealing with an entity with deemed authorisation?

- A company with deemed authorisation will continue to be an "authorised person" under UK law.

- From your perspective, there should be no difference between dealing with an insurer with deemed authorisation, like the Company, and an existing UK insurer.
- The Company is regulated and supervised by the PRA and FCA whilst it is in the TPR and has deemed authorisation, as well as being regulated and supervised by the CBI.
- Where applicable, policyholders and insureds will have access to the UK Financial Ombudsman Service and the UK Financial Services Compensation Scheme in respect of the Company.

5.

What happens when the Company's application for authorisation is approved?

- Once the Company's application for authorisation is approved, the UK branch of the Company will be fully authorised as an insurer in the UK.
- This will allow the Company to conduct UK business through its UK branch without any time limit despite the fact the UK is no longer part of the EU.
- From a practical perspective there will be no change from the Company having deemed authorisation and being in the TPR.

6.

Will we need to change our contracts as a result of Brexit?

- All contracts will remain with the Company as there is no change in legal entity however, there will likely be minor changes to reflect that the contracts are being undertaken through the UK Branch and to meet any additional regulatory requirements.
- Terms of Business Agreements (TOBA's) currently between the Company and UK brokers will in time be updated to reflect they are with the UK branch and the business they are covering.
- Client agreements and member packs will also be updated to reflect the change in entity to the UK branch.
- We will contact clients and brokers to enable us to change contractual documentation either on renewal or through amendment to existing agreements.

7.

How will the branch operate?

The UnitedHealthcare Global UK branch will have a branch management structure based in the UK. The UK branch will consist of a UK based team covering sales, client management and sales support and shared services will be provided to support the UK branch from the Company's Irish HQ.

8.

How will insurance premium tax be handled?

The position in relation to Insurance Premium Tax will not change. IPT will be applied based on the location of members and collected by the UK branch and remitted to the relevant tax authorities.

9.

Will GDPR continue to apply in the UK, and how are data transfers impacted?

- On January 1 2021, GDPR ceased to have direct effect in the UK. However, because the UK is committed to maintaining an equivalent data protection regime, a UK version of GDPR applies from that date (UK GDPR).
- The UK GDPR is substantially similar to GDPR and the key principles, rights, and obligations should remain the same. However, there is the potential for future divergence between the two.
- As part of the new Brexit trade deal, the EU agreed to delay data transfer restrictions (for data flowing from the European Economic Area (EEA) to the UK) for at least four months. During this time, the UK Government will likely seek an adequacy determination from the European Commission, which would allow for data transfers to continue flowing between the EEA and UK. If an adequacy determination is not reached, then transfers of personal data from the EEA to UK will need to have a valid GDPR transfer mechanism (for example, Standard Contractual Clauses (SCCs)).
- The UK government has stated that transfers of data from the UK to the EEA are permitted without the need for SCCs or some other transfer mechanisms. This position will likely be subject to ongoing review.
- The Company is taking all necessary steps as it relates to data transfers and GDPR/UK GDPR compliance. Even though there is a four month delay pursuant to the trade deal, the Company was proactive on this issue. During 2020, we compiled an inventory of Company data transfers into and out of the UK and added SCCs to contracts as needed. The Company is also ensuring that any other regulatory requirements are met as it relates to compliance with GDPR and the UK GDPR.
- From a practical perspective, we don't expect any material privacy change as it relates to the services that Company provides to its clients.

10.

Can we pay commissions to UK brokers for EEA business incepted prior to 1 January 2021?

We are able to pay commission to UK brokers for EEA business (contracted with an EEA policyholder) incepted prior to 1 January 2021 – the end of the Transition Period. Following this date, EEA business cannot be intermediated by a UK broker unless an EEA branch or subsidiary is used. We are not able to pay commission for any new

EEA business or EEA renewals intermediated by a UK broker after 1 January 2021 unless an EEA branch or subsidiary is used.

Similarly, an EEA broker is not able to intermediate UK business after 1st January 2021 unless a UK branch or subsidiary is used or the broker avails of rights under the Temporary Permissions Regime.