

BREXIT CONTRACT CONTINUITY CLAUSE

1. This clause shall only apply following the withdrawal from the European Union by the United Kingdom, including where a transition agreement has been effected ("Brexit Event").
2. The Insurer and [Response] ("Insurer B") (together "the Insurers") and the Insured agree this clause forms a binding part of the contract between the Insured and the Insurers.
3. Except as set out in this Clause and notwithstanding any other provision in this Contract, a Brexit Event shall not have the effect of:
 - (a) terminating this Contract; or
 - (b) altering or invalidating any term of, or discharging or excusing performance under, this Contract; or
 - (c) giving any party a unilateral right to alter or terminate this Contract.
4. Subject to paragraphs 5 and 6 and to the extent that the Insurer as a consequence of a Brexit Event is:
 - (a) not permitted by applicable law or regulation to perform this Contract (or any part thereof); and/or
 - (b) would become exposed to any legal or regulatory sanction as a consequence of performing this Contract (or any part thereof),this Contract or such part that cannot be performed (as per sub-paragraphs 4(a) or 4(b)) shall instead be performed by Insurer B to the extent that Insurer B is permitted to do so by applicable laws and regulations and without exposing Insurer B to any legal or regulatory sanction.
5. If and from such time as paragraph 4 applies:
 - (a) The Insurer shall no longer be obliged to perform the Contract or such part that cannot be performed (as per sub-paragraphs 4(a) or 4(b)) and shall have no liability whatsoever for such non-performance.
 - (b) Insurer B will only perform the Contract to the extent to which the Insurer would have been obliged to do so and only to the extent that the Insurer is no longer obliged to do so pursuant to sub-paragraph 5(a).
 - (c) Accordingly, this Contract will be performed as if only one of the Insurers were party to it, including (but not limited to) the following respects:
 - (i) All limits of indemnity, aggregate limits of indemnity (including the overall aggregate limit) and deductibles/excesses; and
 - (ii) The Insured's obligations in respect of the premium will be fully discharged by making payment to the Insurer or Insurer B.

6. If, as a consequence of a Brexit Event, neither the Insurer nor Insurer B:
 - (a) are permitted by applicable law or regulation to perform this Contract (or part thereof); or
 - (b) can perform this Contract (or part thereof) without exposure to any legal or regulatory sanction

then this Contract (or such part which is not permitted by applicable law or regulation to be performed or the performance of which would expose the Insurer or Insurer B to any legal or regulatory sanction) shall be terminated with effect from 23:59:59 GMT / BST on the date immediately before a Brexit Event. The Insurer will serve notice of cancellation in respect of the part of the Contract which cannot be performed as soon as reasonably practicable after it becomes aware that sub-paragraph 6(a) or 6(b) apply.

7. In the event that the Insurers are unable to perform a part of the Contract as per sub-paragraphs 6(a) or 6(b) the Insured shall have the option to cancel the remaining part of this Contract upon the serving of written notice to either the Insurer and / or Insurer B.
8. Within [14] days of the termination of this Contract (or part thereof) the Insurer shall return to the Insured any paid but unearned premium which shall be calculated as provided in the cancellation provisions of this Contract or if there are no such provisions on a pro-rata basis for the time on risk or where not applicable as otherwise agreed by the parties to this Contract.