



## **R&Q Insurance Holdings Limited**

### **Update on discussions with the BMA**

**22 December 2023**

R&Q Insurance Holdings Ltd (AIM-RQIH) ("R&Q" "the Group") today provides an update on discussions with The Bermuda Monetary Authority ("BMA"), the Group's principal insurance regulator.

R&Q has, over recent months, engaged closely with the BMA regarding the future strategy for R&Q Legacy, given the proposed sale of Accredited ("the Sale"). As part of these discussions the BMA has requested an independent actuarial review of the required reserves of the remaining Group post the Sale, its capital and its cash flow projections.

The BMA has now notified R&Q that it will need to:

- Pause the redemption of the Tier 2 US\$20 million floating rate subordinated notes issued by R&Q Re (Bermuda) Limited which are treated as Tier 2 capital for solvency (the "Bermuda Subordinated Notes") due on 22 December 2023. Accordingly, the Bermuda Subordinated Notes remain outstanding on their terms and R&Q Re (Bermuda) will continue to pay interest on such notes as it accrues.
- Put on hold the approval of any new external legacy transactions to R&Q Re (Bermuda) while the BMA undertakes its review of R&Q Legacy. This includes the UK Motor loss portfolio transfer announced 26 October 2023.

Although these decisions by the BMA and the BMA's review will impact R&Q Legacy's ability to complete certain transactions in the short term, the Board remains firmly committed to the legacy plan outlined in the circular published on 14 December 2023. The Board reiterates its belief that a successful Sale represents the best outcome for all stakeholders, including enabling R&Q to undertake a material financial de-leveraging to support the strategy of transitioning the Legacy business to a capital efficient and stable recurring fee-based business model.

**Ends**

*This announcement contains inside information as stipulated under the UK market abuse regulation no 596/2014, which is part of English law by virtue of the European (withdrawal) act 2018, as amended. On publication of this announcement via a regulatory information service, this information is considered to be in the public domain.*

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