



For further information, please
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1 Company details

Company number 0 0 8 1 1 1 2 0

Company name in full East West Insurance Company Limited

→ **Filling in this form**

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Richard Peter

Surname Barker

3 Administrator's address

Building name/number Ernst & Young LLP

Street 1 More London Place

Post town

County/Region London

Postcode S E 1 2 A F

Country United Kingdom

4 Administrator's name ①

Full forename(s) Simon Jamie

Surname Edel

① **Other administrator**

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number Ernst & Young LLP

Street 1 More London Place

Post town

County/Region London

Postcode S E 1 2 A F

Country United Kingdom

② **Other administrator**

Use this section to tell us about
another administrator.

AM10

Notice of administrator's progress report

6 Period of progress report

From date	^d 1	^d 2	^m 1	^m 0	^y 2	^y 0	^y 2	^y 2
To date	^d 1	^d 1	^m 0	^m 4	^y 2	^y 0	^y 2	^y 3

7 Progress report

I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X 

X

Signature date

^d 1	^d 0	^m 0	^m 5	^y 2	^y 0	^y 2	^y 3
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AM10

Notice of administrator's progress report

Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **Tristan Robinson**

Company name **Ernst & Young LLP**

Address **2 St Peter's Square**

Post town

County/Region **Manchester**

Postcode **M 2 3 E Y**

Country **United Kingdom**

DX

Telephone **+44 16 1504 5672**

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- The company name and number match the information held on the public Register.
- You have attached the required documents.
- You have signed the form.

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The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

TO ALL KNOWN CREDITORS

10 May 2023

Ref: MLP/RB/AS/AW

Telephone: 0333 4000 393

Email: eastwestinsurance@uk.ey.com

Dear Sirs

**East West Insurance Company Limited
(in Administration) (“the Company”)**

**High Court of Justice, Business and Property Courts of England and Wales, Insolvency
and Companies List (ChD), Number CR-2020-003913**

I write, in accordance with Rule 18.3 of the Insolvency (England and Wales) Rules 2016 (“the Rules”), to provide creditors with a report on the progress of the administration.

The Company entered administration on 12 October 2020 and Richard Barker and Simon Edel were appointed to act as Joint Administrators. The appointment was made by the High Court following an application under the provisions of paragraph 12(1)(b) of Scheme B1 to the Insolvency Act 1986. Under the terms of the appointment, any act required or authorised to be done by the Joint Administrators can be carried out by any one of them.

This report, including its appendices, constitutes the Joint Administrators’ fifth report on the progress of the administration in accordance with the requirements of Rule 18.3 of the Rules. This report covers the period from 12 October 2022 to 11 April 2023 and should be read in conjunction with the Joint Administrators’ Statement of Proposals dated 3 December 2022 and the Joint Administrators’ progress reports dated 10 May 2021, 11 November 2021 and 10 May 2022 and 9 November 2022 (“Previous Reports”).

Copies of the above documents and other announcements are available at the following website: www.ey.com/en_uk/eastwestinsurance.

Statutory information about the Company, the administration and the office holders are provided in Appendix A.

Extension of the administration

In accordance with Paragraph 6 to the Schedule of The Financial Services and Markets Act 2000 (Administration Orders Relating to Insurers) Order 2010, the automatic end of the administration without an extension was due to be 30 months from the administration commencement date. In this case, the relevant date was 11 April 2023.

As previously reported, following discussions with the FSCS, the Financial Conduct Authority (“FCA”) and the Creditors’ Committee in respect of the options available to conclude the run-off of the Company, the Joint Administrators concluded that it was necessary and appropriate for the administration to be extended, primarily to allow policyholders to continue to benefit from ongoing coverage in respect of the Company’s unexpired insurance policies and the payment of valid policy claims for those deemed eligible by the FSCS.

During the reporting period, having consulted with the FSCS, the FCA and the Creditors’ Committee and having agreed the terms of a funding arrangement in respect of certain expenses of the Company’s estate

with the FSCS, the Joint Administrators made an application to the Court for an extension of the administration beyond its end date of 11 April 2023.

The proposed extension was not objected to by the PRA or the FCA and was supported by the FSCS and the Creditors' Committee. Furthermore, no policyholder had objected to the proposed extension, such extension having been notified to creditors in the Joint Administrators' Progress Report for the period 12 April 2022 to 11 October 2022 and notice of the Court hearing having been added to the website noted above.

A Court hearing took place on 28 March 2023 at which an order extending the administration period for a period of 4 years to 11 April 2027 was granted. A copy of the Court order is available to view on the website (link above).

Summary of progress to 11 April 2023

As creditors will be aware, the purpose of the administration of the Company is to facilitate a better outcome for the creditors than would be likely if the Company were wound-up (without first being in administration).

The administration does not terminate or cancel a current policyholder's contract of insurance (unless specifically stated in their policy) and, therefore, provides an environment in which the Company's operations have been stabilised, enabling the handling of claims made in respect of its contracts of insurance prior to administration to continue and new claims to be submitted as they arise. This would have not been possible in a winding-up.

During the reporting period, further progress has been made to progress claims received under the Company's contracts of insurance related to structural warranty and buildings guarantee policies ("the BG Policies"). The number of open claims in the portfolio is 100 at 11 April 2023, a net reduction of 8 claims in the period.

In addition, substantial progress has been made in the period in respect of the investigatory works necessary to determine policy coverage in relation to many residual claims in the portfolio. As a result, a significant number of policy responses (full or partial) have been issued in respect of the open claims or are due to be issued shortly following the period end. The Joint Administrators anticipate that policy responses for the majority of remaining open claims will be issued in the next reporting period.

As previously reported, whilst claim progression continues to be impacted by external market wide factors such as shortages in capacity of relevant experts and contractors, the dependence on experts for initial investigatory work, which has been an ongoing source of delay, will diminish as policy responses across the remaining claims in the portfolio are finalised.

Further details in respect of progress in the period are provided below.

Claims Handling Operations

During the reporting period, there have been no significant changes to the structure of the Company's claims handling operations.

Weightmans LLP ("Weightmans") continue to act as the Company's claims run-off manager responsible for the handling of all claims received in respect of the Company's contracts of insurance. Whilst Weightmans are a legal firm, in their role as run-off manager they provide claims handling services only in respect of the Company's claims portfolio and do not interact with policyholders in the capacity of legal advisors instructed on behalf of the Company.

To determine policy response and progress claims in respect of the BG Policies, Weightmans utilise third-party expert suppliers, as necessary, to investigate and evaluate building defects and associated remedies. These include but are not limited to loss adjusters, fire safety experts and surveyors.

As noted in the previous progress report, the Company's current claims director was formally appointed, effective 31 October 2022.

Bi-monthly claims working sessions between Weightmans, the Company's claims director and Joint Administrators and, separately, for Weightmans, the Joint Administrators and the FSCS remain a key component of the claims management framework.

A significant majority of the Company's BG Policy claims by value relate to large, complex developments which are and will continue to be time intensive, requiring input from both Weightmans, third-party suppliers and the Joint Administrators. This is reflected in the ongoing operating costs for the Company's estate which are expected to remain at similar levels until at least the end of the next progress report period in six months' time.

The costs of claims handling services are funded by the Company's estate. Weightmans costs incurred in respect of claims handling services and disbursements for the period 1 October 2022 to 31 March 2023 amount to £1.03m plus VAT. Invoices totalling £0.86m plus VAT have been paid from the estate during the period in respect of Weightmans' invoiced professional fees and disbursements for the period October 2022 to February 2023.

Weightmans and the Joint Administrators have established processes and controls to engage with the various third-party suppliers noted above to progress claims. During the period, a total of £81k was paid by the Company to other suppliers relating to insurance claims. In addition, certain third-party supplier costs have been paid directly by the FSCS in respect policy claims for those deemed eligible by the FSCS.

As the run-off of the Company's claims portfolio progresses beyond assessment of policy response to remediation of claims, the Company's operating model will be adjusted to ensure it remains appropriate to the position of the Company's run-off. The Joint Administrators anticipate that changes to the operating model may be implemented in the next reporting period, subject to ongoing discussions with the FSCS in respect of their preferred approach to payment of compensation for policy claims for those deemed eligible by the FSCS. A further update in this respect will be included in the next progress report.

Assets

Investments

As previously reported, the Company had a low-risk portfolio of investments in government, treasury and corporate issued financial instruments in accounts with New England Asset Management Limited ("NEAM") at the commencement of the administration. The Joint Administrators determined that it was appropriate to allow these assets to realise at their respective contractual maturity date rather than seek to sell them in the market.

The final investment held by the Company matured during the reporting period in the amount of £0.38m plus accrued interest of £4.8k. All remaining cash held in custody with NEAM has been transferred into the Company's administration bank accounts and the investment management agreement with NEAM terminated.

No further asset realisations or associated investment management costs are expected in this regard.

Recoveries

As previously reported, the Joint Administrators' strategy in respect of recoveries continues to be focussed on ensuring that culpable third parties contribute to the costs of rectification of any defective development in the first instance, to reduce the liability incurred by the Company under the BG Policies.

Where contributions are received, it minimises the amount of the insurance liability being settled by the Company in the first instance and, therefore, reduces the overall value of claims to rank for distribution as insurance creditors.

Assessment of the legal and commercial considerations relevant to contributions for individual claims have been complex and time consuming given the nature of the underlying claims and deficiencies in the availability of historical records. However, the Joint Administrators and Weightmans continue to monitor the position and during the reporting period have sought to commence engagement with developers to secure contributions to the costs of rectification wherever possible. This process is complex and ongoing and further updates will be provided to creditors in subsequent reports.

Where it has not been possible to secure a contribution from a third party as part of the policy claim resolution, where appropriate, further recovery action by way of mediation or legal proceedings will be taken against relevant third parties to seek to recover funds for the benefit of the estate subject to it being determined to be costs effective to do so.

During the period, the Joint Administrators and the FSCS have been considering the most efficient and cost-effective approach to recovery action as the FSCS may also have rights, independent of the Company's rights, arising from the assignment of claims from policyholders on the payment of compensation where the recoveries relate to claims which will be fully or partially settled by the FSCS. The terms of an agreement through which the FSCS take responsibility for recovery action in such circumstances are being considered by the Joint Administrators and an update will be included in the next progress report.

Weightmans, the Joint Administrators and the FSCS have also been attempting to hold discussions with the Building Safety Fund ("BSF") to assess the impact of applications made to the BSF for funding of remedial works relating to fire safety related defects at 14 developments where claims have also been made under a BG Policy of the Company. The Company, the BSF and the FSCS will need to address various legal and practical challenges which arise for those claims where it is established that there are valid policy and BSF claims. Whilst a meeting has not proved possible in this period, the Joint Administrators and FSCS consider this is a critical issue and will continue to pursue engagement with the BSF as soon as practicable.

During the period, the Joint Administrators have finalised their review of the background to and potential legal rights over an escrow account holding historical deposits made by certain developers in respect of BG Policies issued by the Company. An amount of £0.6m was received into the estate in January 2023 in this respect. No further realisations are expected in this respect.

As reported previously, the Joint Administrators' expectations are that recoveries, whether in the form of cash contributions (to the Company or FSCS) or undertakings from third parties to remediate defects identified at developments which would otherwise represent claims on the Building Guarantee Policies, will provide a material benefit for the estate.

Third party funding

In accordance with the terms of the formal agreement dated 12 November 2021 (the "Contribution Agreement") between Zurich Insurance plc ("Zurich") and the Company, as set out in previous reports, a deferred contribution of up to £3.0 million is payable to the Company by Zurich in certain circumstances by 19 December 2023.

The Joint Administrators continue to monitor the relevant circumstances and any deferred contribution received by the Company will be split equally between the general estate and funds ringfenced for the non FSCS protected creditors.

During the period, the Joint Administrators have received a response from HM Revenue & Customs ("HMRC") in respect of a VAT voluntary disclosure submitted by the Company in respect of the Contribution Agreement. Whilst HMRC are unable to provide formal confirmation that not VAT is payable, based on the advice of their tax colleagues, the Joint Administrators do not consider VAT is chargeable in respect of the Contribution Agreement and no further actions should be necessary.

Cash at bank

As of 11 April 2023, funds totalling £51.8m were held in the administration estate. This comprised £41.6m of general estate funds together with the ring-fenced funds of £10.0m (plus £0.2m of interest), as referenced above. The funds are held in accounts with six different banks for credit risk management purposes.

The Joint Administrators monitor short term, low risk investment options for the funds held in the estate and, where appropriate, place funds on short-term treasury deposit accounts to maximise interest income. Interest income received in the reporting period was £0.4m.

Liabilities

Insurance claimants

As noted earlier in this report, the administration of the Company does not terminate or cancel a current policyholder's contract of insurance (unless specifically stated in their policy). Accordingly, claims continue to be directed to the Company in the ordinary course of business.

BG policies

At the commencement of the administration, the Company's records identified 18,397 unexpired Building Guarantee Policies, with a last known contractual expiry date of 8 December 2026. As at 11 April 2023, the number of unexpired policies has reduced to 4,536. A summary of the run-off of the remaining unexpired policies is shown in the table below.

Year of Expiry	Number of policies expiring
2023	385
2024	2,211
2025	1,218
2026	722
	4,536

In respect of claims received on the BG Policies, the table below details the progression of the number of new and closed claims in the Company's claims portfolio since the commencement of the administration.

Description	Number of claims
Open claims as at 12 October 2020	139
New and reopened claims	64
Closed claims	(103)
Open claims as at 11 April 2023	100

Claims are being progressed through their lifecycle and there has been a net reduction of 39 claims in the portfolio since the commencement of the administration.

As noted earlier in this report, substantial progress has been made in the period in respect of the investigatory works necessary to determine policy coverage in relation to many residual claims in the portfolio. As a result, a significant number of policy responses (full or partial) in respect of the open claims have either been issued or are due to be issued shortly following the reporting period end. The Joint Administrators anticipate that policy responses for the majority of the remaining open claims will be issued in the next reporting period.

The claims arising from the BG Policies differ substantially in size. Approximately 50% of claims by number are individually for less than £0.25m and predominantly relate to water ingress claims and/or minor defect claims. The remaining claims are for larger amounts (up to multiple £ millions) and predominantly relate to fire and/or health and safety issues and major physical damage at large scale developments.

Discussions are ongoing between Weightmans, the Joint Administrators, the Company's claims director and FSCS and their legal advisors in respect of a number of practical and legal challenges which arise where cash settlement of individual claims, primarily the largest and most complex claims, may not be possible or appropriate and funding of indemnification works over time may be required. This is complicated by the fact that many of these matters have not had to be addressed previously in relation to the default of an insurer of BG Policies and all claims are unique with limited common defects. However, progress has been made in the period in this respect and the Joint Administrators anticipate significant further progress in the next reporting period.

The nature of the claims in respect of the BG Policies are such that accurate calculation of the final value of claims is inherently uncertain at this stage, particularly for the largest, most complex claims where assessment of the extent of policy coverage is ongoing and which may take a number of years to remediate. However, the Joint Administrators expect to be able to provide further details in respect of the estimated value of claims in the estate in the next progress report, subject to policy responses having been issued on the majority of the claims portfolio.

Employers' liability policies

As previously reported, the Company has exposure to potential future claims on historic employers' liability policies. It is not expected that claims arising under these contracts of insurance will be material to the Company. The Company has no outstanding employers' liability claims at this point and the Joint Administrators have not received any claim notifications in respect of employers' liability policies during the period of the administration.

It is expected that any valid claim determined under an employers' liability contract of insurance of the Company will be eligible for FSCS compensation in full.

Reinsurance cedents and claimants

At the date of administration, the Company had been notified of a small number of potential outstanding claims from cedents in respect of reinsurance contracts issued by the Company. The Joint Administrators have not received any additional claim notifications in respect of reinsurance contracts during the period.

In accordance with The Insurers (Winding-up and Reorganisation) Regulations 2004, any claims arising in respect of reinsurance contracts rank for distribution in the administration behind the claims of direct insurance policyholders.

Other matters

FSCS Funding Agreement

As noted earlier in this report, an extension of the administration to allow an orderly run-off of the BG policies was dependent on the Joint Administrators agreeing the terms of a funding arrangement with the FSCS in respect of certain expenses of the Company's estate. This was necessary due to material uncertainties regarding the Company's ultimate liabilities, duration of the run-off and associated

operational costs which could leave the estate exposed to material risk of insufficient funding to facilitate an extended run-off period based on its realised and projected assets.

Following consultation with the FCA, the Prudential Regulatory Authority, the FSCS and the Creditors' Committee, the Joint Administrators concluded that entering into the funding arrangement would facilitate the statutory purpose of the administration. The funding arrangement essentially provides contingent funding to certain operational expenses in the event that the Company were to be exposed to materially higher operational costs of administering the run-off.

The Joint Administrators do not currently project a requirement to make a drawdown on the funding agreement within the administration period but that is subject to material uncertainty as noted above and the position will remain under regular review.

Value Added Tax ("VAT")

During the period, input VAT of £0.6m has been paid on expenses settled from the estate. It is not expected that the Company will be able to recover input VAT during the administration period.

After consulting with tax advisors, the Company's VAT registration has been retained at this stage and VAT returns will continue to be submitted on a quarterly basis.

Corporation Tax

A corporation tax return covering the administration period 1 January 2021 to 31 December 2021 has been submitted to HMRC in the period. No corporation tax was payable for this period.

A corporation tax return for the period 1 January 2022 to 31 December 2022 is being prepared and will be submitted during 2023.

Regulatory engagement

The Company remains a regulated insurance company and is required to comply with various regulatory matters. The Joint Administrators engage regularly with the FCA to provide information on the progress of the administration and submit relevant regulatory returns for the Company.

Creditors' Committee

The Joint Administrators consult with the Creditors' Committee at appropriate points in the administration to discuss administration strategy and allow creditors' views to be represented and considered. The seventh and eighth meetings of the Creditors' Committee took place on 31 October 2022 and 23 January 2023, respectively.

During the period there has been a change to the constitution of the Creditors' Committee. In accordance with Rule 17.11 of the Insolvency Rules and the views of the remaining members of the Committee, Michael Woods membership on the Creditors' Committee was terminated on 23 January 2023 following failure to attend or be represented at three consecutive meetings. The appropriate forms have been filed with Companies House. Accordingly, the current constitution of the Committee is as follows:

1. FSCS
2. Killlearn Developments Limited
3. Marco Island Developments Limited

In accordance with the Rules, a Creditors' Committee in an administration must have at least three members but not more than five members. Accordingly, there are currently two vacancies on the Creditors' Committee. The Joint Administrators and the Creditors' Committee have agreed that it would be

appropriate to identify a policyholder with a live claim from the non-FSCS eligible creditor class who would be willing to put themselves forward for nomination to the Creditors' Committee and the Joint Administrators have contacted such creditors accordingly.

Distributions to creditors

As previously advised, the hierarchy of debts for an insurance company is set out in The Insurers (Winding-up and Reorganisation) Regulations 2004 and applies to the Company. The effect of which is that insurance creditors have priority over other classes of unsecured creditors, including reinsurance cedents.

Insurance creditors – those eligible for FSCS protection

As previously reported, insurance claimants with BG policies or employers' liabilities policies who are eligible for FSCS protection will receive payment in full of claims determined to be valid in accordance with the terms of their contract of insurance.

When paying compensation, the FSCS take an assignment of any rights those insurance claimants might have against the Company and any third parties and the FSCS will have a subrogated insurance claim against the Company for the compensation payments made.

From the date of administration to 3 April 2023, a total of £10.1m has been paid by the FSCS to insurance claimants that are eligible for FSCS protection. It is expected that the number of payments made by the FSCS will increase significantly in future reporting periods as the remaining claims progress through their lifecycle.

Insurance creditors – the FSCS and those not eligible for FSCS protection

Insurance claimants who are not eligible for FSCS protection will also rank as insurance claimants against the Company. The Joint Administrators have authorised, where appropriate to do so, certain initial investigation work to be paid for by the Company's estate in order to determine whether the contract of insurance responds to the claim made against the Company and, assuming the policy responds, provide an indicative valuation of the claim.

The agreed value of the claims of insurance claimants who are not eligible for FSCS protection as well as the FSCS' subrogated claim will rank equally for distribution in the estate. Details of the estimated value of the Company's insurance claims will be provided in future progress reports once policy coverage has been determined on the majority of the claims. At this stage, it is not possible to estimate the timing or quantum of any distribution to this cohort of the Company's insurance creditors.

In addition, as noted above, funds in the amount of £10m (plus accrued interest) are currently held in a separate ring-fenced bank account and will be available for distribution exclusively to policyholders with a valid policy claim under a BG Policy who do not meet the FSCS eligibility criteria for the payment of their claims by the FSCS.

Unsecured creditors – including reinsurance and trade creditors

Given the scale of estimated liabilities under the Company's insurance policies, it is not anticipated that there will be sufficient realisations to make a distribution to unsecured creditors, including reinsurance and trade creditors.

Receipts and payments account

A summary of the Joint Administrators' receipts and payments for the period is provided in Appendix B. This is a statement of cash received and cash paid and does not reflect estimated future realisations or costs.

Joint Administrators' statement of expenses incurred

During the period, expenses of £1.04m (net of VAT and excluding the Joint Administrators' fees and disbursements) have been paid to third parties in administering the Company's estate. A breakdown of expenses and disbursements incurred during the administration period are provided in Appendix C.

Joint administrators' remuneration and disbursements

The statutory provisions relating to remuneration are set out in Part 18 of the Rules. Further information is given in the Association of Business Recovery Professionals' publication 'A Creditors' Guide to Administrators' Fees', a copy of which may be accessed from the web site of the Institute of Chartered Accountants in England and Wales at <https://www.icaew.com/en/technical/insolvency/creditors-guides> or is available in hard copy upon written request to me.

In certain circumstances, creditors are entitled to request further information about our remuneration or expenses, or to apply to court if they consider the costs to be excessive (Rules 18.9 and 18.34 of the Rules). Further information is provided in 'A Creditors' Guide to Administrators' Fees' referred to above.

As previously reported, the Creditors' Committee passed a resolution on 1 February 2021 to fix the Joint Administrators' remuneration on a time cost basis and authorised the Joint Administrators to draw 80% of their time costs (plus VAT and disbursements) on a monthly basis, with the remaining 20% being subject to approval of the Creditors' Committee.

The Creditors' Committee agreed the Joint Administrators' proposed hourly rate card for all personnel across Ernst & Young LLP working on the administration of the Company. These hourly rates are provided in Appendix F.

In accordance with resolutions of the Creditors' Committee, the Joint Administrators have drawn fees in the amount of £8.5m from the Company's estate during the administration, representing 100% of the Joint Administrators' time incurred during the period 12 October 2020 to 30 September 2022 and 80% of the Joint Administrators' time incurred during the period 1 October 2022 to 31 December 2022.

The Joint Administrators' time costs incurred during the period were £1.45m, which brings total time incurred during the administration to 11 April 2023 to £9.55m.

The below table summarises the cumulative time incurred by the Joint Administrators and their staff, and the corresponding amounts drawn from the Company's estate.

Reporting period	Previous periods: 12 October 2020 to 11 October 2022	Current period: 12 October 2022 to 11 April 2023	Total
Time incurred (£)	8,098,569	1,449,320	9,548,289
Fees drawn (£)	8,038,493	451,718	8,490,211

An analysis of the time spent during the period and summary narrative is included in Appendix D. A statement of the Joint Administrators' policy in relation to charging time and disbursements is included in Appendix F.

To date, the Joint Administrators have incurred disbursements of £4,902 of which £2,315 are Category 1 disbursements and £2,587 are Category 2 disbursements. An analysis of the disbursements incurred to date is provided in Appendix C. Definitions of Category 1 disbursements and Category 2 disbursements can be found in Appendix F.

At the seventh Creditors' Committee held on 31 October 2022, it was resolved that the Joint Administrators may draw the Category 2 disbursements from the estate. Accordingly, disbursements in the amount of £1,821 were invoiced and drawn from the estate in the period.

Joint Administrators' fee estimates

As set out in previous reports, owing to the complexity of this large insolvency and a number of material uncertainties that existed at the outset of the administration, and continue to exist, it has been extremely difficult to estimate with accuracy the work which will be required to be carried out by the Joint Administrators and their staff during the administration.

The Joint Administrators provided creditors with an initial fee estimate on 3 December 2020, estimating Joint Administrators' fees of £5.1m would be incurred in the period 12 October 2020 to 11 April 2023. A revised fee estimate, representing an increase of £3.2m, was approved by the Creditors' Committee on 2 November 2021. Details of the revised fee estimate, and a comparison with the initial fee estimate, were provided to creditors in the Joint Administrators' previous progress report dated 11 November 2021.

As a result of the ongoing level of time being incurred by the Joint Administrators and their staff in respect of the administration, it was evident that the revised fee estimate would be reached before 11 April 2023. Accordingly, a further revised fee estimate, representing an increase of £1.21m was presented at a meeting of the Creditors' Committee held on 31 October 2022 and was approved by the Creditors' Committee.

Appendix E contains a comparison of the revised fee estimate to 11 April 2023 and actual time costs incurred from 12 October 2020 (commencement of the administration) to 11 April 2023.

The Joint Administrators are preparing a fee estimate for the extended period of the administration, 12 April 2023 to 11 April 2027 to be presented to the Creditors' Committee for consideration in the next reporting period. The preparation of the revised fee estimate is subject to ongoing discussions with the FSCS in respect of their preferred approach to payment of compensation for policy claims for those deemed eligible by the FSCS as different potential approaches will impact the time incurred by the Joint Administrators' and their staff. A further update in this respect will be included in the next progress report.

Next report

The next progress report will be provided in six months' time, by 11 November 2023. The report will be shared with creditors by publication on the following website, www.ey.com/en_uk/eastwestinsurance, unless individual creditors have opted to receive reports by post.

Should you have any queries, please contact the Joint Administrators by emailing eastwestinsurance@uk.ey.com.

Yours faithfully
for the Company



Richard Barker
Joint Administrator

Richard Barker and Simon Edel are licensed in the United Kingdom to act as Insolvency Practitioners by The Insolvency Practitioners Association.

The affairs, business and property of the Company are being managed by the Joint Administrators, Richard Barker and Simon Edel, who act as agents of the Company only and without personal liability.

The Joint Administrators may act as data controllers of personal data as defined by the UK General Data Protection Regulation (as incorporated in the Data Protection Act 2018), depending upon the specific processing activities undertaken. Ernst & Young LLP and/or the Company may act as a data processor on the instructions of the Joint Administrators. Personal data will be kept secure and processed only for matters relating to the Joint Administrator's appointment. The Office Holder Data Privacy Notice can be found at www.ey.com/uk/officeholderprivacy

Appendix A

East West Insurance Company Limited (in Administration)

Information about the proceedings, the company and the office holders, as required by Rule 18.3(1) of the Insolvency (England and Wales) Rules 2016

Name of court:	High Court of Justice, Business and Property Courts of England and Wales, Insolvency and Companies Court (ChD)
Court reference:	3913 of 2020
Registered name of the company:	East West Insurance Company Limited (in Administration)
Registered office address of the company:	c/o Ernst & Young LLP 1 More London Place London SE1 2AF
Registered number:	00811120
Date of appointment of the joint administrators:	12 October 2020
Name(s) and address(es) of the administrator(s):	Richard Barker and Simon Edel Ernst & Young LLP 1 More London Place London SE1 2AF
Office holder number(s):	17150 and 9810
Division of Administrators' responsibility:	Any of the functions to be performed or power exercisable by the Administrators may be carried out/exercised by any one of them acting alone or by any or all of them acting severally
Name of alternative person to contact with enquiries about the case:	eastwestinsurance@uk.ey.com +44 (0) 20 7951 2000
Prescribed Part:	The Administrators have established that there are no valid fixed or floating charges registered against the Company. In the absence of a floating charge, there are no monies required to be set aside to the creditors under s176A of the Act being under the 'Prescribed Part' formula.
Statement concerning the EC regulation:	The EC Council Regulation on Insolvency proceedings does not apply to this Administration

Appendix B

East West Insurance Company Limited (in Administration)

Joint Administrators' summary of Receipts & Payments for the period from 12 October 2022 to 11 April 2023

Directors' Statement of Affairs	Notes	12 Oct 20 to 11 Oct 22	12 Oct 22 to 11 Apr 23	Cumulative total
£		£	£	£
Receipts				
17,655,334		17,655,072	-	17,655,072
23,306,759	2	22,557,925	380,000	22,937,925
5,000,000	1	27,000,000	-	27,000,000
290,143	2	730,241	4,830	735,071
10,414	3	186,037	605,228	791,265
-		329,462	-	329,462
-		56,535	136,301	192,836
-		84,621	237,694	322,315
		1,546	200	1,746
46,262,650		68,601,440	1,364,253	69,965,693
Payments				
	4	3,203,711	844,567	4,048,278
	4	44,231	14,188	58,419
	4	16,550	-	16,550
		181,368	-	181,368
		48,648	-	48,648
	5	939,233	39,723	978,956
	6	294,186	51,485	345,671
	7	21,743	108	21,851
		200,000	-	200,000
	8	6,711,294	1,778,917	8,490,211
		-	1,821	1,821
		297,158	-	297,158
		42,032	13,003	55,035
	9	438,387	81,200	519,587
		7,000	-	7,000
		25,855	63	25,918
	10	2,327,770	559,830	2,887,600
		14,799,166	3,384,907	18,184,073
				51,781,620
Represented by:				
Non-ringfenced funds				41,588,783
Ringfenced funds				10,192,837
Total funds held in administration bank accounts	11			51,781,620

Notes

1. Receipts from Zurich pursuant to the terms of the Contribution Agreement, of which £10m is held in a ringfenced bank account solely for the benefit of non-FSCS protected policyholders of the estate.
2. As discussed earlier in the report, all investments have now matured and no further receipts are expected in relation to the Company's investments.
3. Receipts from recovery action against third parties related to claims made on the Company's BG Policies.
4. Payment of fees and disbursements in relation to ongoing claims handling services provided by Armour Risk Management Limited (to June 2021), Weightmans (from May 2021) and other third parties, including the services of IT providers required to maintain the claims management software, licence fees and land registry fees.
5. Legal fees in respect of advice to the Joint Administrators in relation to ongoing claims management and various legal matters arising during the administration. The period opening balance has been restated to account for c£69k of 'Recoveries Expenses' historically incorrectly categorised as legal fees.
6. Fees in respect of legal advice relating to the Company's rights to pursue recovery action and supporting the Company in seeking contributions from other rightful liable parties in relation to claims received on the Company's BG policies. The period opening balance has been restated to account for c£69k of 'Recoveries Expenses' historically incorrectly categorised as legal fees.
7. Investment management fees for the maintenance of the Company's now-closed investment portfolio.
8. Joint Administrators' fees drawn relating to time incurred in the post-administration period, as approved by the Creditors' Committee.
9. Fees in relation to loss adjusting services instructed by the Company on certain claims. These costs are funded by the Company's estate and are not recoverable from the FSCS where claimants are determined not to be eligible for FSCS compensation.
10. EWIC is currently VAT registered but is not able to recover input VAT.
11. Funds held in the estate are spread between six different banks for credit risk management purposes with different accounts used to maximise interest income.

Appendix C

East West Insurance Company Limited (in Administration)

Summary of Joint Administrators' expenses and disbursements incurred for the period from 12 October 2022 to 11 April 2023

Category of expense	Per estimate dated 3 December 2020 ⁷ £ (exc VAT)	Incurred to 12 October 2022 £ (exc VAT)	Incurred in the period to 11 April 2023 £ (exc VAT)	Total incurred to 11 April 2023 £ (exc VAT)
<u>Administration costs</u>				
Alternative accommodation payments to be reimbursed by FSCS ¹	500,000	-	-	-
Bank charges	12,000	25,855	63	25,917
Investigation costs	1,200,000	-	-	-
Legal fees and expenses – claims and insolvency advice ⁸	1,950,000	939,233	39,722	978,956
Legal fees and expenses – recoveries ⁸	450,000	294,186	51,484	345,671
Legal secondments ²	600,000	-	-	-
Loss adjusters	1,500,000	438,387	81,200	519,587
NEAM fund management charges	45,000	21,743	107	21,850
Public Notices	1,000	-	-	-
Supplier payments including quantity surveyor/consultants	700,000	181,368	-	181,368
Sundry expenses including storage costs	60,000	42,032	2,573	44,605
Tax advisors	50,000	7,000	-	7,000
Third party claims handling service providers ²	1,890,000	3,264,492	861,853	4,126,345
Zedra escrow account fees	1,500	-	-	-
<u>Scheme of Arrangement costs</u>				
Scheme of Arrangement planning legal costs	800,000	-	-	-
Total expenses	9,759,500	5,214,296	1,037,003	6,251,299
<u>Pre-administration costs</u>				
Joint Administrators' pre-administration costs	293,922	200,000	-	200,000
Legal fees and expenses – pre-administration	-	48,648	-	48,648
Total pre-administration costs	293,922	248,648	-	248,648
TOTAL EXPENSES	10,053,422	5,462,944	1,037,003	6,251,299
<u>Category 1 disbursements</u>				
Specific penalty bond ³	1,280	1,280	-	1,280
Regulatory checks ³	-	46	-	46
Transport and couriers	-	155	834	989
<u>Category 2 disbursements</u>				
Postage, photocopying and printing ⁴	60,000	1,754	611	2,365
Meeting room ⁴	-	65	157	222
Total disbursements⁶	61,280	3,300	1,602	4,902
TOTAL DISBURSEMENTS & EXPENSES⁵	10,114,702	5,466,244	1,037,003	6,251,299

Notes

1. All alternative accommodation and indemnity costs paid from the administration estate to date have been reimbursed by the FSCS hence the numbers previously reported have reduced to nil.
2. As reported previously, £90,390 had been allocated in relation to legal secondments. Upon review, this cost was reallocated to the heading "Third party claims handling service providers" and removed from the above table, as these expenses related to claims handling services to supplement the claims handling services provided by ARML at the time.
3. These disbursements have been incurred but not yet charged to the administration estate.
4. The Joint Administrators will seek approval to draw Category 2 disbursements incurred in the period from the Creditors' Committee in due course.
5. Statement of Insolvency Practice No.9 defines expenses as any payments from the insolvency estate which are neither an office holder's remuneration or a distribution to a creditor or member. Expenses are divided into those that do not need approval before they are charged to the estate (Category 1) and those that do require prior approval (Category 2):
 - Category 1 expenses are payments to persons providing the service to which the expense relates who are not an associate of the office holder; and
 - Category 2 expenses are payments to associates or which have an element of shared costs.
6. Expenses also include disbursements. Disbursements are payments which are first met by the office holder and then reimbursed to the office holder from the estate. Disbursements fall into either Category 1 or Category 2. Further information on the Joint Administrators' charging policy for disbursements is provided at Appendix F.
7. Expenses will continue to be incurred throughout the administration until its revised end date of 11 April 2027. Please refer to the 'Extension of the Administration' section above for further details.

Owing to the wide range of possible outcomes, it is not possible at this stage to estimate with accuracy the expenses to be incurred. However, at present, total expenses have not exceeded the original estimate provided. There are however three lines which have individually exceeded the initial estimate:

- **Third party claims handling service providers** – These are the costs and expenses incurred by the run-off manager in administering the claims submitted in respect of the Company's insurance policies. These costs are incurred in respect of a critical function to ensuring the ongoing handling of policyholder claims.
 - **Legal fees and expenses – pre-administration** – Please refer to the previous report dated 10 May 2021 for further information; and
 - **Bank charges** – These have been predominantly incurred in relation to the Bank of New York Mellon custody account. This cost was not anticipated at the time of producing the original estimate dated 3 December 2020 but has facilitated an improved return for the Company's estate. This account is now closed, and no further charges will be incurred relating to the Bank of New York Mellon custody account. The Company continues to incur bank charges in respect of its other bank accounts.
8. Following a reconciliation of payments made in these categories, the opening balances have been restarted to account for c£69k movement from 'Legal fees - post appointment' to 'Recoveries expenses' and an additional £3,099 Weightmans fees due to timing issue, in a previous period.

Appendix D

East West Insurance Company Limited (in Administration)

Summary of the Joint Administrators' time costs incurred for the period from 12 October 2022 to 11 April 2023

	Hours by grade						Total hours	Total costs £	Avg hourly rate £/hour
	Partner	Director	Senior Manager	Manager	Executive	Analyst			
Asset realisations	19	13	11	22	70	51	186	84,310	453
Insolvency process	22	24	9	72	257	67	452	197,683	438
Dealing with creditors	2	-	-	1	4	9	16	5,840	360
Insurance run off	237	433	120	73	160	230	1,252	781,930	624
Management of Company's affairs	21	62	33	38	170	106	429	197,490	460
Strategy and planning	14	-	100	34	164	95	407	182,068	448
Total	316	531	274	240	825	557	2,742	1,449,320	529
Total costs £	291,375	411,835	184,680	119,850	330,120	111,460	1,449,320		
Avg hourly rate £	925	775	675	500	400	200	529		

Note: The above costs exclude VAT, and the figures are rounded to the nearest whole number.

**Summary narrative of Joint Administrators' time costs incurred for the period from
12 October 2022 to 11 April 2023**

Detailed fee reporting packs have been provided to the Creditors' Committee covering all time costs incurred to 11 April 2022 in order to assist them in considering the Joint Administrators' fees incurred and approve the level of fees which may be drawn from the estate.

The Joint Administrators' time costs incurred during the reporting period were £1.45m. Set out below is a summary narrative of the significant areas of work in relation to which costs were incurred in this period.

Type of work	Description of work completed during the period	
Asset realisations	Third party contributions and/or recoveries	<ul style="list-style-type: none"> • Implementing with Weightmans, the claims Run-off Manager ("the ROM"), the revised standard operating procedure for recoveries and building upon management information data. • Assessing insurance claims for third party recovery or contribution claim prospects and evaluating cost-benefit, timing and probability of success. • Maintaining and enhancing a recoveries dashboard and report to provide a high-level summary of management information in relation to recoveries. • Preparing management information for reporting purposes for the Joint Administrators and the FSCS. • Seeking legal advice where appropriate on strategy to pursue recoveries as well as providing FSCS access the ROM server and the GDPR implications. • Providing documentation and meeting regularly with the FSCS in relation to recoveries for claims which will be fully or partially settled by the FSCS. • Assessing other potential recovery actions within the Company's estate (outside of claims against contributory parties in relation to open and closed insurance claims) and discussing the various complexities with legal advisors and the FSCS. • Liaising with the ROM regarding the status of individual claims from a recovery's perspective. • Instructing solicitors to support certain recovery action. • Pursuing individual recovery action and contribution claims against third parties. • Reviewing and finalising the position in relation to an escrow account and bank guarantees provided by certain developers, which will be available to the Company. • Discussing the impact of additional developers committing to the Building Safety Repairs Pledge ("the Pledge") to help fund necessary repairs of certain developments with the FSCS • Liaising with the FSCS and their legal advisors on optimal recovery strategy in order to pursue recovery action and contributory claims against third parties on claims which will be fully or partially settled by the FSCS.
Insolvency Process	Creditors' committee	<ul style="list-style-type: none"> • Preparing for and holding the seventh and eight Committee meetings on 31 October 2022 and 23 January 2023; including the agenda, attendance register, documents and information for the Creditors' Committee proposed resolutions.

Type of work	Description of work completed during the period	
		<ul style="list-style-type: none"> • Drafting minutes and obtaining approval for the seventh and eighth Committee meetings.
	Reporting to creditors	<ul style="list-style-type: none"> • Preparing and finalising the progress reports and fee information packs for the period ending 11 October 2022. • Liaising with regulators and the FSCS in respect of the content of the reports prior to issuing the same. • Issuing reports to creditors, the Court and Companies House. • Uploading appropriate documentation on the EY webpage for the Company. • Preparing the progress report and fee detail for circulation in May 2023 to creditors, the Court and Companies House.
Dealing with creditors	Creditor enquiries and management	<ul style="list-style-type: none"> • Managing creditor enquiries to the Joint Administrators received by email, telephone and post, including responding to and following up on any queries. • Reviewing and preparing correspondence to creditors and their representatives. • Updating EY webpage for the Company - including the Notice of application for extension and outcome of hearing documentation
Insurance run off	Claim litigation matters	<ul style="list-style-type: none"> • Ongoing correspondence with legal representatives of the Company and other involved parties regarding live litigation matters where action is required. • Seeking Counsel advice in respect of certain large, complex loss claims in order to determine policy coverage • Ongoing liaison with legal representatives of the Company to review terms and conditions of suppliers as they are engaged by the Company. • Organising books and records in relation to ongoing litigation.
	Payment processes	<ul style="list-style-type: none"> • Reviewing and approving payment batches from the ROM to submit to the FSCS. • Liaising with the FSCS regarding payments for eligible claimants and implementing appropriate reconciliation processes and controls. • Attending meetings and corresponding with the FSCS to work through payment queries to ensure that they meet FSCS payment criteria. • Updating purchase order register to account for supplier payments. • Undertaking purchase order schedule reviews during the period to ensure Standing Operating Procedures are being followed. • Processing payments for loss adjusters and other third parties, such as fire experts and further investigations work required across the Company's claims portfolio.
	Administrators' supervision of run off	<ul style="list-style-type: none"> • Implementing robust standard operating procedures for the ROM in respect of claims handling, management information reporting and complaints handling following review by the FSCS. • Consulting with the ROM to implement updates to management information in consultation with the FSCS.

Type of work	Description of work completed during the period	
		<ul style="list-style-type: none"> • Holding regular meetings with claims handling service providers to discuss the run-off position and progress. • Making key strategic decisions in relation to the claims portfolio and attending fortnightly briefing sessions with the ROM. • Undertaking claims reserve review meetings with the ROM to discuss feedback and implementation of processes. • Reviewing the claims management information provided weekly by the ROM and responding with comments and/or feedback where applicable. • Maintaining appropriate governance structure for the Company. • Responding to the FSCS on their review and comments on the ROM's standard operating procedures and key performance metrics and developing appropriate remedial actions. • Preparing a monthly claims dashboard to the FCA and FSCS using management information to monitor claims progress and status. • Overseeing claims handling service providers and resolving issues. • Maintaining a schedule of supplier contracts and agreements entered by the Company and/or the Joint Administrators. • Updating and implementing revised standard operating procedures for the ROM regarding supplier engagement, payment and governance. • Dealing with queries and complaints escalated by claims handling service providers.
	FSCS protected claims handling	<ul style="list-style-type: none"> • Overseeing claims processes for protected claims, including reviewing new and existing claims, correspondence with claimants and their legal representatives. • Liaising with the FSCS and the claims handling service provider regarding eligibility checks on protected claims. • Liaising with the FSCS to resolve issues affecting progress of the claim portfolio. • Providing extensive information on individual claims and the claim portfolio to the FSCS. • Reviewing FSCS payment requests in relation to alternative accommodation, indemnity losses and other expenses on protected claims. • Liaising with the ROM to ensure protected claims are progressing. • Attending regular meetings with the ROM and the FSCS and preparing the agenda and supporting documentation. • Undertaking regular cash flow meetings with each of the claims handlers to ensure better cash flow forecasting on FSCS protected claims.
	Non-FSCS protected claims handling	<ul style="list-style-type: none"> • Liaising with the ROM to ensure non-protected claims are progressed to a position where a policy response and initial valuation can be determined. • Negotiations with non-protected claimants to agree amounts due under their policy claims.

Type of work	Description of work completed during the period	
	Claims handling operations	<ul style="list-style-type: none"> • Attending monthly management meetings with the ROM to discuss ongoing operations and any relevant enhancements, as required. • Undertaking a Gross Reserve review during the period to ensure compliance with the Standard Operating Procedures. • Undertaking a claim portfolio review with the claim handlers to ensure compliance with the Standard Operating procedures.
Management of the Company's affairs	Accounting and treasury	<ul style="list-style-type: none"> • Entering, reviewing and approving cash transactions (receipts and payments) into accounting system to maintain the necessary financial reporting. • Carrying out bank reconciliations and regular reporting to the Joint Administrators on the cash position. • Overseeing the investment portfolio and regular reporting to the Joint Administrators.
	VAT & Tax	<ul style="list-style-type: none"> • Liaising with HM Revenue & Customs regarding corporation tax and VAT, including completing periodic VAT returns. • Drafting and submitting the corporation tax return for the administration period ending 31 December 2021. • Liaising with tax advisors to discuss and prepare the computation and corporation tax return for the administration period ending 31 December 2022. • Liaising with tax advisors in respect of HMRC response to a voluntary disclosure regarding the VAT treatment of the Zurich contribution).
	Regulatory	<ul style="list-style-type: none"> • Attending regular meetings to provide updates to the FCA on the status of the administration and responding to questions regarding the administration progress and strategy. • Submitting forms with respect to the Senior Manager and Certification Regime, as required by the PRA. • Completing and filing ongoing regulatory returns required of the Company. • Monthly meetings with FSCS Executive representatives to discuss progress of the administration and key issues
	Data & Software	<ul style="list-style-type: none"> • Organising for the physical books and records to be indexed and, where desired, digitised and provided to the ROM.
Strategy and Planning	Project management	<ul style="list-style-type: none"> • Monitoring of time costs, reporting and billing activity. • Fulfilling statutory requirements under the Act and the Rules, such as completing the six-monthly case review. • Maintaining records of key activities and decisions taken. • Completing checklists and diary management system. • Meetings across all workstreams for updates and managing against actions and plans to ensure continued progress. • Allocating resources to support the ROM and Claims Director in project management roles.
	Joint Administrators' oversight	<ul style="list-style-type: none"> • Overseeing activity across all workstreams and point of contact for escalations.

Type of work	Description of work completed during the period	
		<ul style="list-style-type: none"> • Holding strategic team review meetings critical to achieve the purpose of the administration. • Reviewing of administration strategy through consultation with legal counsel. • Reviewing and challenging management information to fulfil officeholder duties. • Considering team structure and target operating model.
Administration closure and exit	Exit planning	<ul style="list-style-type: none"> • Seeking legal advice on proposed FSCS funding agreement with a view to extending the administration. • Liaising with the FSCS regarding funding agreement and head of terms. • Strategy options and liaising with legal advisors (including counsel) and preparing materials for and attending meetings with the FSCS, the Regulators and the Creditors' Committee to discuss. • Preparation of the key documents to obtain permission from the Creditor Committee and Courts to extend the administration, including the Witness Statement and supporting evidence.

Appendix E

East West Insurance Company Limited (in Administration) Joint Administrators' fee estimate to 11 April 2023 and actual Joint Administrators' time costs incurred from 12 October 2022 to 11 April 2023

	Actual time costs to 11 Apr 2023			Revised fee estimate to 11 April 2023		
	Total hours	Total fees	Average hourly run rate	Total hours	Total fees	Average hourly run rate
<u>Asset realisations</u>						
Third party contributions and/or recoveries	1,949	960,450	493	1,913	961,218	502
TOTAL	1,949	960,450	493	1,913	961,218	502
<u>Insolvency process</u>						
Initial letters and notices	224	89,473	400	224	89,473	400
Proposals, deemed consent and creditor consultation	297	156,950	528	297	156,950	528
CDDA and SIP2 compliance	212	100,550	474	212	100,550	474
Creditors' committee	493	286,820	582	675	392,526	582
Reporting to creditors	663	301,343	454	622	332,796	535
Statement of Affairs	34	22,603	659	34	22,603	659
Insurance	2	1,210	605	2	1,210	605
TOTAL	1,926	958,948	498	2,066	1,096,107	530
<u>Dealing with creditors</u>						
Creditor enquiries and management	519	225,045	433	695	329,104	473
TOTAL	519	225,045	433	695	329,104	473
<u>Insurance run off</u>						
Claims litigation matters	276	179,940	652	463	331,549	716
Payment processes	615	279,138	454	834	360,159	432
Administrators' supervision of run off	3,227	1,912,204	593	2,706	1,548,694	572
Protected claims handling	3,292	1,910,558	580	3,191	1,855,482	581
Non-protected claims handling	271	164,570	608	298	190,312	638
Claims handling operations ¹	1,309	798,413	610	1,084	681,443	628
TOTAL	8,988	5,244,822	584	8,577	4,967,638	579
<u>Management of Company's affairs</u>						
Accounting and treasury	1,299	483,775	372	1,188	434,317	366
VAT & Tax	436	235,198	540	407	213,168	523
Regulatory	365	202,050	554	434	239,350	552
Data & Software	108	56,335	520	103	55,235	537
Public relations	22	15,425	701	44	33,892	768
TOTAL	2,230	992,783	445	2,176	975,962	449
<u>Strategy and planning</u>						
Project management and statutory requirements	1,531	697,493	456	1,523	724,375	475
Joint Administrators' oversight	485	259,915	536	303	183,198	604
TOTAL	2,016	957,408	475	1,827	907,572	497
<u>Administration closure and exit</u>						
Exit planning	287	208,835	728	344	256,094	745
TOTAL	287	208,835	728	344	256,094	745
Total hours and fee estimate	17,916	9,548,289	522	17,597	9,493,695	540

The following table includes the revised Joint Administrators' fee estimate through to 11 April 2023 and summarises the Joint Administrators' actual time costs incurred from 12 October 2020 (commencement of the Administration) to 11 April 2023.

Note: The above costs exclude VAT, and the figures are rounded to the nearest whole number.

Appendix F

East West Insurance Company Limited (in Administration)

Statement of the Joint Administrators' charging policy for remuneration and disbursements pursuant to Statement of Insolvency Practice No.9

The Joint Administrators have engaged managers and other staff to work on the administration. The work required is delegated to the most appropriate level of staff taking account of the nature of the work and the individual's experience. Additional assistance is provided by accounting and treasury executives dealing with the company's bank accounts and statutory compliance issues / work carried out by all staff is subject to the overall supervision of the Joint Administrators.

All time spent by staff working directly on the case related matters is charged to a time code established for the case. Time is charged in units of six minutes. Each member of staff has a specific hourly rate which is subject to change over time. The hourly rate for each category of staff, including the maximum rate for specialist staff, over the period is shown below.

Grade	Current hourly rate £/hour
Partner / Associate Partner	925
Director	775
Senior Manager	675
Manager	500
Executive	400
Analyst	200

Office Holders' Charging Policy for Disbursements

Statement of Insolvency Practice No. 9 ("SIP 9") published by R3 (The Association of Business Recovery Professionals) divides disbursements into two categories:

- 1 Category 1 disbursements are defined as specific expenditure relating to the administration of the insolvent's affairs and referable to payment to an independent third party. Such disbursements can be paid from the insolvent's assets without approval from the Creditors' Committee. In line with Statement of Insolvency Practice No. 9, it is our policy to disclose Category 1 disbursements drawn but not to seek approval for their payment. We are prepared to provide such additional information as the Committee require to support the disbursements drawn.
- 2 Category 2 disbursements are charges made by the office holder's firm that include elements of shared or overhead costs. Statement of Insolvency Practice No. 9 provides that such disbursements are subject to approval as if they were remuneration. It is our policy, in line with SIP 9, to seek approval for this category of disbursement before they are drawn. This approval has been sought and obtained from the Company's Creditors' Committee.