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0000480950

13 October 2020

Ref: MLP/RB/DC/RN

Email: enquiries@east-west-insurance.com



30669/1/000048

Dear Sirs

East West Insurance Company Limited In Administration (the “Company”)

Claim Reference:

This letter is being sent to all known housing association policyholders who may either have an unexpired policy or open claim with the Company, and claimant representatives for clients with an open claim with the Company.

On 12 October 2020, the Company entered administration and Simon Edel and I were appointed as Joint Administrators. The appointment was made by the High Court following an application under the provisions of paragraph 12(1)(b) of Schedule B1 to the Insolvency Act 1986. Formal notice of our appointment is attached. As licensed insolvency practitioners, we are bound by the Insolvency Code of Ethics when carrying out all professional work relating to the administration.

The administration follows a judgement in the Court of Appeal to which the Company was a defendant which has had a profound impact on the financial position of the Company by substantially increasing the value of its open (and potential) claims. This matter was exacerbated by a number of unexpected, high value claims as well as material adverse claims developments on a number of existing claims.

Together, these factors have left the Company in a position where it is insolvent on the basis that its assets are less than the value of its known and projected liabilities.

Policyholders

The administration of the Company does not automatically terminate or cancel the contract of insurance. However, for the avoidance of doubt, any claim arising under the Company’s insurance policies, whether such a claim arises prior to the commencement of the administration or after, will constitute an unsecured claim provable in the administration of the Company.

The UK Firm Ernst & Young LLP is a limited liability partnership registered in England and Wales with registered number OC300001 and is a member firm of Ernst & Young Global Limited.

A list of members’ names is available for inspection at 1 More London Place, London SE1 2AF, the firm’s principal place of business and registered office. Ernst & Young LLP is a multi-disciplinary practice and is authorised and regulated by the Institute of Chartered Accountants in England and Wales, the Solicitors Regulation Authority (authorisation number 614947), the Financial Conduct Authority (registration number 196203) and other regulators. Further details can be found at <http://www.ey.com/UK/en/Home/Legal>

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Additional information is provided in the Frequently Asked Questions (the “**FAQs**”) which can be accessed via www.east-west-insurance.com or www.ey.com/en_uk/eastwestinsurance. If you would like a paper copy of the FAQs, please write to the Joint Administrators office at East West Insurance Company Limited (In Administration), C/O Ernst & Young LLP, 1 More London Place, SE1 2AF or by email to eastwestinsurance@uk.ey.com.

The FAQ document will be updated from time to time so you may wish to check the websites above for updates.

Claims

If you have an outstanding claim under the policy, the status of the claim will be considered by the Administrators. The Administrators will provide you with an update on the impact of the administration on the claim as soon as possible. If any further information is needed from you, your assigned claims handler will liaise with you in due course.

Should you wish to submit a new claim in relation to the policy or discuss an outstanding claim, please follow the process outlined in the policy documentation. This can be done by contacting the claims handling team either by email to enquiries@east-west-insurance.com or by telephone on 0333 4000 393.

Financial Services Compensation Scheme (“FSCS”)

The FSCS protects UK policyholders, generally individuals or small businesses, who are eligible to claim pursuant to their compensation scheme rules.

Further to an amendment to the Policyholder Protection Rules on 8 October 2020, that building guarantee policyholders protected by the FSCS will receive compensation at 100% of EWIC’s liability for claims.

Further details can be found on the FSCS website at www.fscs.org.uk/what-we-cover/insurance/

Further Information

The Company is continuing its business under the Administrators’ supervision whilst we investigate its financial affairs. At present, I am unable to indicate whether there will eventually be a surplus available for all classes of creditors. However, in accordance with paragraph 49(5) of Schedule B1 to the Insolvency Act 1986, we shall be preparing our proposals for the conduct of the administration within eight weeks of our appointment. The proposals will be made available to all creditors.

At this time, we will also set out proposals for our remuneration and will seek approval for the basis. The statutory provisions relating to remuneration are set out in Chapter 4, Part 18 of the Insolvency (England and Wales) Rules 2016 (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 at <https://www.icaew.com/en/technical/insolvency/creditors-guides>, or is available in hard copy upon written request to the Joint Administrators at EastWestInsurance@uk.ey.com.



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The Insurers (Reorganisation and Winding Up) Regulations 2004

The Insurers (Reorganisation and Winding Up) Regulations 2004 (“the Regulations”) apply to the Company which is a UK insurance company authorised by the Prudential Regulation Authority and regulated by the Prudential Regulation Authority and the Financial Conduct Authority.

The effect of the Regulations is that claims from policyholders have a statutory priority to other classes of creditor.

Opting out

Under the provisions of Rule 1.39, creditors have the right to elect to opt-out of receiving further documents relating to the Administration.

If you do elect to opt-out you will still receive the following documents:

- Any which the Insolvency Act requires to be delivered without expressly excluding opted-out creditors;
- Notice relating to a change in the Administrators, or their contact details;
- Notice of dividend or proposed dividend; or
- A notice which the court orders to be sent to all creditors, or a category of creditors to which you belong.

Any election to opt-out will not affect your entitlement to receive dividends, if any are paid.

Unless the Rules provide to the contrary, opting-out will not affect your rights to vote in a decision procedure or participate in a deemed consent procedure, although you would not receive notice of such procedures. Any opted-out creditors will be treated as opted out in respect of any consecutive insolvency procedure which might follow the Administration.

You may opt-out by delivering an authenticated (i.e. signed) and dated notice to me stating that you are electing to be an opted-out creditor in relation to this Administration. You may at any time revoke this election by delivering an authenticated and dated notice stating that you no longer wish to be an opted-out creditor. Delivery can be made by email to EastWestInsurance@uk.ey.com or post to East West Insurance Company Limited (In Administration), C/O Ernst & Young LLP, 1 More London Place, SE1 2AF or by email to eastwestinsurance@uk.ey.com.

Other matters and enquiries

If there are any matters concerning the Company’s affairs which you consider may require investigation and consequently should be brought to our attention, please forward the details to me in writing as soon as possible.





Should you have further queries for the Administrators, you may submit your request to EastWestInsurance@uk.ey.com. All queries relating to your policy or claims should be directed to the claims handling team either by email to enquiries@east-west-insurance.com or by telephone on 0333 4000 393.

Yours faithfully
for the Company

A handwritten signature in black ink, appearing to read 'Richard Barker'.

Richard Barker
Joint Administrator

Enc: Notice of Administrator's Appointment

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

As licensed insolvency practitioners, we are bound by the Insolvency Code of Ethics when carrying out all professional work relating to the Administration. The affairs, business and property of the Company are being managed by the Joint Administrators, R Barker and S 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 General Data Protection Regulation 2016/679, 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.

Notice of Administrators' Appointment – paragraph 46(3) of Schedule B1 to the Insolvency Act 1986

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

Name of Court	High Court of Justice, Business and Property Courts of England and Wales, Insolvency and Companies Court (ChD)
Court reference number	3913 of 2020
Company registered number:	00811120
Nature of business	65120 – Non-life insurance
Registered office of company	1 More London Place, London SE1 2AF
Principal trading address (if different from above)	20 Old Broad Street, London, EC2N 1DP
Any other name under which the company was registered in the previous 12 months	None
Any other name(s) or style(s) under which the company carried on business or incurred debts	None
Date of appointment of administrators	12 October 2020
Name(s) and address(es) of administrator(s)	Richard Barker and Simon Jamie Edel Ernst & Young LLP, 1 More London Place London, SE1 2AF
Joint / Administrator(s) IP No(s)	17150/ 9810
Name of alternative person to contact with enquiries about the case	EastWestInsurance@uk.ey.com

Notice to all creditors

On 12 October 2020 the company entered administration and Simon Jamie Edel and I were appointed as Joint Administrators. The appointment was made by the High Court following an application under the provisions of paragraph 12(1)(b) of Schedule B1 to the Insolvency Act 1986.

Signed



Date 12 October 2020

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

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