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0025551140

13 October 2020

Ref: MLP/RB/DC/RN

Email: enquiries@east-west-insurance.com



32650/1/002555

Dear Sirs

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

This letter is being sent to all known non-insurance creditors of 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.

The Company is continuing its business under the Joint 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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Amounts owed to creditors

Please note that certain debts incurred by the company before our appointment will rank as unsecured claims against the company. Any sums due to the company arising after our appointment must be paid in full and without set-off against any debts incurred by the company prior to our appointment.

Certain debts due from the company may be preferential in accordance with section 386 of the Insolvency Act 1986. If you consider that you have a claim in this category, please advise me immediately. If you hold any security for your claim or you consider that you have title to any assets in the company's possession, please forward details to me as soon as possible.

You may be entitled to VAT bad debt relief on debts arising from supplies more than six months old. This procedure does not involve the Administrators and claims should be made directly to HM Revenue & Customs.

Please note that, with effect from the date of our appointment, the company will not be responsible for the payment for any goods or services delivered to the Company except those which have explicit approval from one of the Joint Administrators. Goods and services so ordered will be paid for on normal credit terms.

If any orders placed with you by the Company prior to our appointment have not been completed, they should not be completed unless you receive written confirmation from one of the Joint Administrators, that the goods or services are still required. Please let me have a statement of any orders placed by the Company prior to our appointment which have not yet been completed.

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



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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

Additional information on the administration 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.

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.

Yours faithfully
for the Company

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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