

# **Joint Administrators' Statement of Revised Proposals**

**The Mediterranean Insurance & Reinsurance Company  
Limited -  
In Administration**

**30 September 2021**

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## **1 Introduction and Background**

- 1.1 As you are aware, Steven Edward Butt and Michael David Rollings of Rollings Butt LLP, 6 Snow Hill, London, EC1A 2AY, United Kingdom, were appointed Joint Administrators of the Company by the High Court on 4 December 2015. Steven Edward Butt and Michael David Rollings are insolvency practitioners licensed in the UK by the Insolvency Practitioners Association. The Administrators are authorised to act jointly and severally in the Administration.
- 1.2 The EC Regulation on Insolvency Proceedings 2000 does not apply to the Administration. The proceedings are not main proceedings as defined by Article 3 of the Regulation.
- 1.3 The Administrators' original proposals were delivered to creditors on 22 January 2016 and were approved on 10 February 2016 ("the Original Proposals").

## **2 Original and Revised Proposals**

- 2.1 As per Section 6 and Paragraphs 10.6 to 10.8 of the Original Proposals, it was stated that the potential exit routes to the Administration be either;
- (i) A Scheme of arrangement, Company Voluntary Arrangement ("CVA") or a court sanctioned distribution mechanism; or
  - (ii) Dissolution of the Company; or
  - (iii) Compulsory liquidation.
- 2.2 Please refer to the Original Proposals for the extended narratives associated with each of these potential exit routes.
- 2.3 It is proposed in these Revised Proposals that:
- (i) Section 6 and Paragraph 10.8 of the Original Proposals be amended so that they include moving to CVL in accordance with Paragraph 83 of Schedule B1 of the Insolvency Act 1986 ("the Act") as a proposed exit route from the Administration and that the Administrators shall be appointed Joint Liquidators; and
  - (ii) Paragraph 10.9 of the Original Proposals be amended to state that "*in the event that either compulsory winding up or Creditors' Voluntary Liquidation is the most appropriate exit route from the Administration, and the Administrators are appointed as Liquidators, any action taken by the Liquidators may be taken by them individually or together*".

### *Creditors' Voluntary Liquidation ("CVL")*

- 2.4 When the Original Proposals were contemplated, compulsory winding up was included as a potential exit route instead of CVL.
- 2.5 CVL is specifically referred to in Paragraph 83 of Schedule B1 of the Act as a potential exit route from an Administration if the Administrators think that a distribution will be made to unsecured creditors of the Company other than by virtue of the Prescribed Part (which, as previously advised, is not applicable as the Company has no secured creditors).
- 2.6 Paragraph 6.10 of the Original Proposals set out the situation in which a compulsory winding up would be an appropriate exit route, which was predominantly if further investigations into the Company's affairs needed to be carried out. When the Original Proposals were prepared, this was anticipated to be a more likely scenario than a situation in which all matters could not

be resolved in the Administration (such as asset recoveries and distributions to creditors) and a CVL would be necessary, hence why a compulsory winding up was considered a necessary exit route and not a CVL.

- 2.7 However, as advised in recent progress reports, the Administrators have concluded their investigations into the affairs of the Company and no further realisations arising from these investigations are likely. The Administrators therefore believe that compulsory winding up is no longer the most appropriate exit route, given the potential for additional costs, and therefore CVL should be added as an exit route.
- 2.8 Paragraph 83(7) of schedule B1 of the Act states that the Liquidators for the purposes of the winding up will be the Administrators in office, being Steve Butt and Mike Rollings. It is proposed that the Joint Liquidators will be authorised to act jointly and severally in the subsequent liquidation.
- 2.9 As advised previously, the Creditors' Committee ("the Committee") have confirmed their support for the revised proposals and to the Administrators remaining in office as Liquidators in a CVL.
- 2.10 Creditors do, however, have the right to nominate alternative Liquidator(s) of their choice. To do this, creditors must make their nomination in writing to the Administrators prior to these revised proposals being approved. Where this occurs, the Administrators will advise creditors and provide the opportunity to vote. In the absence of a nomination, and as stated above, the Joint Administrators will automatically become the Joint Liquidators of the subsequent CVL.
- 2.11 It should be noted that, if these revisions to the Original Proposals are accepted by creditors, the Administrators will file a notice with the Registrar of Companies in order that the Administration will cease and the Company will move automatically into CVL.

### **3 Receipts and Payments**

- 3.1 A summary of receipts and payments for the Administration period from the date of my appointment to 16 September 2021 is attached at Appendix B. Please refer to the Administrators' twelfth progress reports for further details in relation to the receipts and payments.

### **4 Estimated Outcome for Creditors**

- 4.1 Distributions have already been made to non-preferential unsecured creditors representing 35p in the £. As advised in the Administrators' twelfth Progress Report for the period ended 16 September 2021, a further distribution will be made prior to the Company moving into CVL (assuming the Revised Proposals are approved by way of this decision procedure). It is currently also anticipated that a further distribution will be made following the move to CVL, subject to the successful recoveries of reinsurance balances due.

### **5 Administrators' Remuneration**

- 5.1 The Joint Administrators' fees are approved by the Committee and are based on time properly spent by the Joint Administrators, and their staff, in managing the Administration. As creditors are aware, it has been agreed that the time costs of the Joint Administrations include a 20% deferral rate of time incurred. It has also been agreed that payments are only made to the Administrators in relation to their remuneration where specifically agreed with the Committee.
- 5.2 The Joint Administrators do not propose to amend the basis of the fee arrangement, should the revised proposals be accepted and the Company be placed into CVL. For the avoidance of

doubt, in accordance with Paragraph 83(8)(f) of Schedule B1 of the Act, the Committee which is in existence in the Administration, and the resolutions passed by them, will continue in existence in the CVL.

**6 Approval of Revised Proposals and next report**

- 6.1 I am seeking a decision of creditors on the approval of my Revised Proposals by correspondence. The email issued to creditors with this report contains further information about this decision process.
- 6.2 Administrators are required to provide a progress report within one month of the end of the first six months of the Administration and six monthly thereafter until the Administration comes to an end and I will therefore report to you again at this time.

Yours faithfully  
For The Mediterranean Insurance & Reinsurance Company Limited



**Steve Butt**  
Joint Administrator

Michael David Rollings and Steven Edward Butt were appointed as Joint Administrators of The Mediterranean Insurance & Reinsurance Company Limited by order of the High Court on 4 December 2015.

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

The Company Number is 01395873 and the registered office is 6 Snow Hill, London, EC1A 2AY

**Statutory Information**

**1 Company information**

Company name	The Mediterranean Insurance & Reinsurance Company Limited
Trading name(s)	MedRe
Registered number	01395873
Registered office address	6 Snow Hill London EC1A 2AY United Kingdom
Former registered office address	c/o Charles Taylor Insurance Services Ltd Lloyds Chambers Portsoken Street London E1 8BT
Trading address(s)	c/o Charles Taylor Insurance Services Ltd, Lloyds Chambers, Portsoken Street, London, E1 8BT
Court details	The Central London County Court at Business and Property Work
Court reference number	1450 of 2020

**2 Details of the Company's Directors, Secretary and Shareholdings**

	Date appointed	Date resigned	Shares held
<b>Directors</b>			
Hadj Mohamed Seba	28 March 2007	-	Nil
Ali Amma El Regea	28 July 1999	-	Nil
Omar Fakhri Alaneizi	25 October 1978	27 October 2014	Nil
Michael Collins	19 December 1986	29 July 2015	Nil
<b>Secretary</b>			
Michael Collins	26 August 1981	-	Nil
<b>Shareholders</b>			
Libya Insurance Company	-	-	105,000
Compagnie Centrale De Reassurance	-	-	105,000

**3 Administrators' Details**

Name of Administrators	Steven Edward Butt, Michael David Rollings
Address	6 Snow Hill London EC1A 2AY United Kingdom
Telephone Number	020 7002 7960
Fax Number	020 7002 7788
Administrator's IP Number	9108, 8107
Authorising Body	Insolvency Practitioners Association
Date of Appointment	4 December 2015

**Receipts and Payments Account for the Period from 4 December 2015 to 16 September 2021**
**The Mediterranean Insurance & Reinsurance Company Limited  
(In Administration)**
**Summary of Receipts & Payments**

Statement of Affairs (£)	RECEIPTS	From 04/12/2015 To 16/03/2021		From 17/03/2021 To 16/09/2021		Total (£)
		(£)	(£)	(\$)	(€)	
1,503,156.00	Cash at Bank	1,602,656.10	Nil	Nil	Nil	1,602,656.10
1,480,176.00	Supported debtors	1,609,002.68	Nil	(24,621.73)	Nil	1,591,140.13
	Bank Interest	7,333.82	Nil	Nil	Nil	7,333.82
	Litigation Proceeds	2,241,071.65	Nil	Nil	Nil	2,241,071.65
		<b>5,460,064.25</b>	<b>Nil</b>	<b>(24,621.73)</b>	<b>Nil</b>	<b>5,442,201.70</b>
	<b>PAYMENTS</b>					
	Office Holder Pre-Admin. Fees	83,067.50	Nil	Nil	Nil	83,067.50
	Office Holder Pre-Admin. Expenses	188.75	Nil	Nil	Nil	188.75
	Office Holders Fees	1,229,101.20	85,335.60	Nil	Nil	1,314,436.80
	Office Holders Expenses	4,809.60	Nil	Nil	Nil	4,809.60
	Run Off Agents' Fees	563,528.88	Nil	Nil	Nil	563,528.88
	Process Server fees	170.00	Nil	Nil	Nil	170.00
	Debt Collection Fees	22,663.45	Nil	Nil	Nil	22,663.45
	Specialist Tax Advisers	1,100.00	Nil	Nil	Nil	1,100.00
	Legal Fees	1,057,506.00	580.80	Nil	Nil	1,058,086.80
	Legal Disbursements	131,768.90	Nil	Nil	Nil	131,768.90
	DBA Costs	450,000.00	Nil	Nil	Nil	450,000.00
	ATE Premium	112,000.00	Nil	Nil	Nil	112,000.00
	Stationery & Postage	3,769.54	Nil	Nil	Nil	3,769.54
	Statutory Advertising	14,048.20	Nil	Nil	Nil	14,048.20
	Professional Fees	1,231.92	Nil	Nil	Nil	1,231.92
	Actuarial Fees	10,634.50	Nil	Nil	Nil	10,634.50
	Agent's Fees	1,824.77	Nil	Nil	Nil	1,824.77
	Agent's Disbursements	767.14	Nil	Nil	Nil	767.14
	Land Registry Searches	7.00	Nil	Nil	Nil	7.00
	Sanctions List Searches	1,015.00	Nil	Nil	Nil	1,015.00
	Bank Charges	264.72	30.00	25.48	Nil	313.20
	HMRC Fees	617.38	Nil	Nil	Nil	617.38
	Corporation Tax	338.36	Nil	Nil	Nil	338.36
	Irrecoverable VAT	4,115.90	Nil	Nil	Nil	4,115.90
	Unsecured Dividend Payments	976,892.11	Nil	Nil	Nil	976,892.11
		<b>4,671,430.82</b>	<b>85,946.40</b>	<b>25.48</b>	<b>Nil</b>	<b>4,757,395.70</b>
	<b>UNSECURED CREDITORS</b>					
(1,418,000.00)	Claims outstanding (gross)	Nil	Nil	Nil	Nil	Nil
(2,880,092.00)	Creditors -reinsurance operations	Nil	Nil	Nil	Nil	Nil
(212,430.00)	Other creditors incl tax/social security	Nil	Nil	Nil	Nil	Nil
(65,087.00)	Current expenses	Nil	Nil	Nil	Nil	Nil
		<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>(1,592,277.00)</b>	<b>Net Receipts/(Payments)</b>	<b>788,633.43</b>	<b>(85,946.40)</b>	<b>(24,647.21)</b>	<b>Nil</b>	<b>684,806.00</b>

\*€ and \$ balances converted using exchange rates taken from xe.com as at 16/09/2021