

The Mediterranean Insurance & Reinsurance Company Limited (“the Company” or “Medre”) – in Administration

Notification of bar date and distribution mechanism

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Notice of Order prescribing the bar date for claims and to place a value on incurred but not reported claims

Background

As you will be aware, Steve Butt and Mike Rollings of Rollings Butt LLP, 6 Snow Hill, London, EC1A 2AY, United Kingdom (“the Administrators”) were appointed as Joint Administrators of the Company by order of the High Court on 4 December 2015.

The Administration is registered in the High Court of Justice, Chancery Division, Companies Court, reference number 9278 of 2015.

The trading address of the Company was 20 St Dunstons Hill, London, EC3R 8HL, United Kingdom. The business also traded under the name MedRe.

The registered office of the Company was changed from c/o Charles Taylor Insurance Services Ltd, Lloyds Chambers, Portsoken Street, London, E1 8BT, United Kingdom to c/o Rollings Butt LLP, 6 Snow Hill, London, EC1A 2AY, United Kingdom and its registered number is 01395873.

Application to court for directions including seeking a bar date for claims and to place a value on incurred but not reported claims

Following the Administrators application for directions, the High Court of Justice Business and Property Courts of England and Wales made an order (“the Order”) on 14 June 2019 prescribing the procedure that shall apply for the purpose of establishing a Bar Date for claims (“the Bar Date”) and to create a mechanism for the valuation of incurred but not reported claims, as well as prescribing the procedure that shall apply for the purpose of distributing available funds held by the Company to reinsurance and ordinary non-preferential unsecured creditors (“the Creditors”).

Cedants, reinsurers, brokers and ordinary non preferential unsecured creditors (together “the Creditors”) of the Company who have not yet submitted a proof of debt to the Administrators, must submit their claim in writing using the appropriate Proof of Debt at pages 3, 4, 6 or 8, to be received by the Administrators **no later than 30 September 2019 at 5pm (London time)** by either email to medre@rollingsbutt.com or by post to Rollings Butt LLP, 6 Snow Hill, London, EC1A 2AY, UK.

In accordance with the Order, the Administrators intend to make an interim distribution (“Interim Distribution”) to the Creditors as soon as practicable after the Bar Date in accordance with the terms of the Order.

Creditors who do not submit a Proof of Debt by the Bar Date (“Bar Date Claim”), will not be entitled to share in the proposed distribution except in the event that they successfully appeal against the Administrators adjudication of their Bar Date Claim under the terms of the Order.

General notes to assist in the completion of Proof of Debt Forms

1. What is the effect of the order?

The Order sets a “**Bar Date**” which acts as a **final date** by which the claims of any Creditors must have been received by the Administrators in order to be considered for entitlement to share in the Interim Distribution, or any subsequent distributions. After the Bar Date, no further claims will be capable of being considered by the Administrators (see Section 10 below regarding claims after the Bar Date).

2. What is the deadline for submitting details of my Proof of Debt?

The Creditors of the Company who have not yet submitted a Proof of Debt to the Administrators, must submit one in writing, to be received by the Administrators **no later than 30 September 2019 at 5pm (London time)** by either email to medre@rollingsbutt.com or by post to Rollings Butt LLP, 6 Snow Hill, London, EC1A 2AY, UK.

3. What if I am a cedant and a reinsurer?

For creditors who are both a cedant and a reinsurer, **separate** Proof of Debt Forms must be completed, and the total claim of both Proof of Debt Forms should be grossed up or netted off to determine your total/net claim in the Administration.

4. How do I deal with business placed, or assumed, through brokers?

We understand that the majority of claimants will submit a Proof of Debt in their own right. If you have conducted business via a broker, it is possible that a broker may submit a Proof of Debt on your behalf.

If a broker submits a Proof of Debt which duplicates in part, or in full, a claim submitted directly by the creditor then the broker submitted claim will be rejected in full.

5. What if I am a broker and have a claim in the Administration

If you are a broker and have a claim in respect of brokerage or any other claim in the Administration not specific to cedant or reinsurance claims, your Proof of Debt Form(s) should be submitted as an ordinary unsecured claim form at page 7, or using the Proof of Debt Form available on the website at www.rollingsbutt.com/case-documents/mipublic/bar-date-documentation/.

6. I have already submitted some documentation in support of my Proof of Debt, do I need to re-submit this?

There is no need to submit supporting documentation with your Proof of Debt that has already been sent. However, it would be useful if Creditors could indicate that documentation has been submitted on a previous occasion, including details of the date and method of transmission, and whether this was sent to the Company care of the Administrators or to Charles Tayler Services Limited (“CTS”) in order to assist in the identification of these documents by the Administrators.

7. What happens if the Administrators do not agree with my claim?

The Order provides that the provisions of the UK insolvency legislation, being the *Insolvency Act 1986 and Insolvency (England and Wales) Rules 2016*, will apply. This means that if the Administrators reject all or part of a claim submitted, they must give the creditor the reason for their rejection or reduction.

A creditor then has 21 days to apply to the High Court of Justice in London to appeal against the Administrators’ decision. It should be noted that unless the Court orders otherwise the costs of the application will be borne by the creditor as the applicant.

There are no Courts outside of the jurisdiction of England & Wales where such an appeal can be lodged.

8. What should I do if I consider that I may have an incurred but not reported claim? (“IBNR claim?”)

Pursuant to the Order, the Courts, has determined that the Administrators have a liberty to value IBNR claims at 10% of the Outstanding Claims (as defined in the Order). This IBNR valuation will or may be applied to all Outstanding Claims and has been determined by the Court to be an appropriate amount. The Administrators applied to the Court for liberty to value IBNR claims this way in order to avoid incurring the cost of implementing a more complex procedure for determining IBNR claims, which would have been considerable, and were likely to have materially reduced the amount of funds available for distribution to Creditors.

In the event that you consider the IBNR relating to your claim should be greater than 10%, you are entitled to appeal to the Court to vary the valuation. It should be noted that unless, the Court orders otherwise, the costs of such an appeal will be borne by the relevant Creditor as the applicant.

9. How do I deal with retained reserves?

Those cedants holding retained reserves may submit a claim for the total outstanding losses, but must then **deduct** those retained reserves. This is because UK insolvency legislation permits Creditors to exercise security rights represented by retained reserves.

Please note that reinsurers cannot submit a claim for reserves which are being retained from them by the Company (whether premium or loss reserves) because those reserves are, in turn, being retained from MedRe by ceding companies, having crystallized upon the Company entering into Administration.

10. How do I deal with a claim I have after the Bar Date?

The Bar Date has been established to bring to a close **all** potential claims in the Administration. Any Proof of Debt received after the Bar Date will **not** be considered, and will be rejected in full.

11. When will I receive a dividend and will I receive more than one dividend?

The Administrators propose paying a first, Interim Dividend as soon as reasonably practicable after the Bar Date in accordance with the Order. Any further dividends will be subject to further collections in relation to third party claims referred to in the Administrators’ 6 monthly progress reports, and further debtor realisations (referred to in the Administrators’ progress reports at www.rollingsbutt.com/case-documents/mipublic/bar-date-documentation/). The timing and quantum of any subsequent dividends is uncertain at present.

12. How will the dividend be paid?

As your claim is against a company subject to insolvency process governed by the law of England & Wales, distribution entitlements will be calculated in GBP (British Pounds) and dividends will be paid in GBP.

If your claim is in a currency other than GBP, your claim will be converted to GBP using the prevailing exchange rate as at the date of Administration (4 December 2015), using the rates shown at Page 10 (“the Prevailing Exchange Rate”).

The Administrators will issue a cheque from the MedRe bank account for your agreed dividend in GBP, which will be sent to you with supporting documents by post via Royal Mail. **You should make every effort to present the cheque at your Bank as soon as possible, as cheques issued in the United Kingdom are only valid for a period of 6 months from issue before they expire.**

In the event that the funds covered by the cheque issued to you have not been paid within 6 months of the date of payment of the relevant dividend, the funds will be transferred to the “unclaimed dividends account” held by the Insolvency Service, an Executive Agency of the Department for Business, Energy and Industrial Strategy, part of the government of the United Kingdom.

PLEASE REFER TO THE NOTES ATTACHED REGARDING COMPLETION OF THE PROOF OF DEBT

Creditor Name	
Creditor Former Name(s) (if applicable)	
Broker name (if you are a broker submitting a claim)	
Contact name and address for correspondence	
Email address for correspondence	
Total Claim (£) (automatically calculated sum of column 15)	

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Reinsurance contract reference number	Contract Name / Type of business	Underwriting year(s)	Broker	Broker Reference	Date of Inception	Signed Line	Currency	Unpaid Balances	PLUS Outstanding Losses	LESS Retained Reserves	PLUS IBNR being 10% of Outstanding Losses	Total Claim in Original Currency	Rate of Exchange - GBP1 =	TOTAL CLAIM IN GBP

Signature of duly authorised person

Date

Name in BLOCK CAPITALS

Position with or in relation to creditor

Notes for completion of the Proof of Debt Form – CEDANT

Where business is ceded to MedRe, or in respect of business which is ceded to MedRe. As previously advised, MedRe entered into run-off in 2009 and is unable to accept risks purportedly ceded after 28 October 2014.

Please note that the Proof of Debt Forms are available for download at www.rollingsbutt.com/case-documents/mipublic/bar-date-documentation/. The Administrators would advise creditors to complete this form using the download.

If completing the Proof of Debt manually		If completing the Proof of Debt using the download from the website	
Box	Notes	Box	Notes
1	Insert the Contract number	1	Insert the Contract number
2	Insert type of business (example, Marine Hull quota share treaty)	2	Insert type of business (example, Marine Hull quota share treaty)
3	Note Underwriting year(s)	3	Note Underwriting year(s)
4	Broker name	4	Broker name
5	Broker reference	5	Broker reference
6	Include Policy Period or inception date	6	Include Policy Period or inception date
7	Insert signed line (percentage)	7	Insert signed line (percentage)
8	Include currency of the financials in columns 9 to 13 of the Proof of Debt Form	8	Include currency of the financials in columns 9 to 13 of the Proof of Debt Form from the drop down list
9	Complete to include balances submitted to Medre which remain unpaid	9	Complete to include balances submitted to Medre which remain unpaid
10	Include notified outstanding losses and retained reserves	10	Include notified outstanding losses and retained reserves
11	Deduct reserves being retained by the ceding company	11	Deduct reserves being retained by the ceding company
12	Add 10% of column 10 for IBNR. See note 8 regarding 10% IBNR	12	10% of column 10 will automatically calculate
13	Sum of/calculation of Columns 9 to 12	13	The sum of Columns 9 to 12 will automatically calculate
14	Insert rates of exchange specified in the table at page 10. Refer to note 12 of the General notes to assist in the completion of Proof of Debt Forms	14	The conversion to GBP will automatically calculate
15	Calculate Column 13 divided by Column 14 and insert total claim in GBP	15	The product of columns 13 and 14 will automatically calculate

Creditor Name	
Creditor Former Name(s) (if applicable)	
Broker name (if you are a broker submitting a claim)	
Contact name and address for correspondence	
Email address for correspondence	
Total Claim (£) (automatically calculated sum of column 13)	

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Reinsurance contract reference number	Contract Name / Type of business	Underwriting year(s)	Broker	Broker Reference	Date of Inception	Signed Line	Currency	Unpaid Balances	LESS Notified Outstanding Losses	Total Claim in Original Currency	Rate of Exchange - GBP1 =	TOTAL CLAIM IN GBP

Signature of duly authorised person

Date

Name in BLOCK CAPITALS

Position with or in relation to creditor

Notes for completion of the Proof of Debt Form – Reinsurer

Where business is assumed from MedRe, or in respect of business which is assumed from MedRe.

Please note that the Proof of Debt Forms are available for download at www.rollingsbutt.com/case-documents/mipublic/bar-date-documentation/. The Administrators would advise creditors to complete this form using the download.

If completing the Proof of Debt manually		If completing the Proof of Debt using the download from the website	
Box	Notes	Box	Notes
1	Insert the Contract number	1	Insert the Contract number
2	Insert type of business (example, Marine Hull, quota share treaty)	2	Insert type of business (example, Marine Hull, quota share treaty)
3	Note Underwriting year(s)	3	Note Underwriting year(s)
4	Broker name	4	Broker name
5	Broker reference	5	Broker reference
6	Include Policy Period or inception date	6	Include Policy Period or inception date
7	Insert signed line (percentage)	7	Insert signed line (percentage)
8	Include currency of the financials in columns 9 to 11 of the Proof of Debt Form	8	Include currency of the financials in columns 9 to 11 of the Proof of Debt Form from the drop down list
9	Complete to include balances submitted by Medre which remain unpaid	9	Complete to include balances submitted by Medre which remain unpaid
10	Include notified outstanding losses advised by Medre, excluding retained reserves	10	Include notified outstanding losses advised by Medre, excluding retained reserves
11	Total of columns 9 and 10	11	Total of columns 9 and 10 will calculate automatically
12	Insert rates of exchange specified in the table at page 10. Refer to note 12 of the General notes to assist in the completion of Proof of Debt Forms	12	The conversion to GBP will automatically calculate
13	Calculate column 11 divided by Column 12 and insert total claim in GBP	13	Column 11 divided by Column 12 will calculate automatically

Proof of Debt Form

To be completed by ordinary unsecured creditors only, **not** cedants or reinsurers.

1	Creditor Name <i>(If a company, please also state company registration number)</i>	
2	Address of creditor for correspondence	
3	Email address for creditor	
4	Total amount of claim, including VAT and outstanding uncapitalised interest <i>Note: Any trade or other discounts (except discount for immediate or early settlement) which would have been available to the company but for the insolvency proceedings should be deducted from the above claim where relevant. Where any payment is made in relation to the claim or set-off applied after date of winding-up, this should be deducted</i>	£
5	If the amount in 4 above includes outstanding uncapitalised interest, please state the amount	£
6	Details of any documents by reference to which the debt can be substantiated (please attach copies)	
7	Particulars of how and when the debt was incurred by the Company	
8	Particulars of any security held, the value of the security, and the date it was given	Value = £ Date given / /
9	Particulars of any reservation of title claimed, in respect of goods supplied to which the claim relates	
10	Signature of creditor or person authorised to act on his behalf	
11	Name in BLOCK CAPITALS	
12	Date	

Exchange rates for calculation of claims

Below is a list of historic exchange rates as at 4 December 2015 which should be used for use in calculation of claims when submitting Proof of Debt Forms.

Please note, any claims in a foreign currency will only be accepted for dividend purposes in GBP using these Prevailing Exchange Rates. If a Proof of Debt Form is submitted using a different exchange rate, it will be converted to GBP using the below exchange rates.

Currency Code	Currency	4 December 2015 £1 =
AED	UAE Dirham (Emirati Dirham)	5.542
BIF	Burundian Franc	2,355.638
CHF	Swiss Franc	1.508
DZD	Algerian Dinar	161.371
EGP	Egyptian Pound	11.813
EUR	Euro	1.384
GBP	Great British Pound	1.000
GNF	Guinean Franc	11,690.831
JOD	Jordanian Dinar	1.071
KWD	Kuwaiti Dinar	0.458
LYD	Libyan Dinar	2.067
MAD	Moroccan Dirham	14.924
MYR	Malaysian Ringgit	6.379
OMR	Omani Riyal	0.581
PKR	Pakistani Rupee	159.180
QAR	Qatar Riyal	5.492
SAR	Saudi Arabian Riyal	5.661
SYP	Syrian Pound	284.889
TND	Tunisian Dinar	3.044
TZS	Tanzanian Shilling	3,263.153
USD	US Dollar	1.509
XOF	CFA Franc	907.717
YER	Yemen Riyal	324.230

If you have dealt in a currency not in the table above, please contact the Joint Administrators who will assist.