

## HILL INSURANCE COMPANY LIMITED (IN PROVISIONAL LIQUIDATION)

### NOTICE TO ALL KNOWN POLICYHOLDERS, CREDITORS AND BROKERS WHO HAVE PLACED BUSINESS WITH HILL INSURANCE COMPANY LIMITED

1 October 2012

Dear Sirs,

**Re: Hill Insurance Company Limited (in provisional liquidation) ("Hill and/or the Company")**

On the 28<sup>th</sup> August 2012, the Directors of Hill presented a petition to the Supreme Court of Gibraltar for the winding-up of the Company on the basis that the Company was insolvent and could not pay its liabilities in full. By way of Court Order dated the 7<sup>th</sup> day of September 2012, Mr Joseph Caruana of Deloitte Limited, Merchant House, 22/24 John Mackintosh Square, Gibraltar, was appointed Provisional Liquidator to the Company.

The appointment of the Provisional Liquidator constitutes the opening of winding-up proceedings for the purposes of Directive 2001/17/EC of the European Parliament and of the Council of the 19th March 2001 on the reorganisation and winding up of insurance undertakings ("the Reorganisation Directive"), implemented in Gibraltar by the Insurers (Reorganisation and Winding Up) Act 2004 ("the Act").

**THIS LETTER IS BEING SENT TO ALL KNOWN POLICYHOLDERS, CREDITORS, BROKERS AND INTERMEDIARIES WHO HAVE PLACED BUSINESS WITH THE COMPANY. BROKERS, INTERMEDIARIES AND AGENTS ARE REQUESTED TO SEND COPIES OF THIS LETTER TO ALL THEIR CLIENTS WHO HAVE OR MAY HAVE CLAIMS AGAINST HILL.**

The provisional liquidation of Hill is at an early stage and in due course, the Provisional Liquidator expects to be in a position to provide further information to policyholders and creditors. I am required to report to the Supreme Court of Gibraltar by the 22<sup>nd</sup> November 2012, with a view to recommending whether a winding-up order in respect of the Company should be made or not.



### Provisional Liquidator

The powers and duties of the Provisional Liquidator are set out by Court Order and include the power to realise assets, investigate transactions and, if appropriate, develop a Scheme of Arrangement under Sections 205 and 241(1)(e) of the Gibraltar Companies Act (a "Scheme"). The appointment of a provisional liquidator has the effect, *inter alia*, of passing management and control of the company to the Court's Appointed Officer, the Provisional Liquidator.

As Provisional Liquidator, I am required under Section 6(1)(a) of the Act, to notify in writing all known creditors and insurance creditors of the Company of the matters mentioned in section 6(3) and (4) of the Act.

### Current Policies

The appointment of a provisional liquidator does not automatically terminate live policies (unless the terms of the policy provides for this) and the provisional liquidator has no immediate plans to cancel any of Hill's current policies.

Although we are exploring all options in respect of the future of the Company, policyholders should be aware that there is a very real possibility that there will not be sufficient available funds to meet the full amount of any claim that has been made or may be made.

**Policyholders are therefore strongly advised to contact their broker or intermediary in order to consider whether to seek alternative cover immediately.**

### Cancellation of Current Policies

If a policyholder requests the cancellation of a policy, any claim arising in respect of return of premium following cancellation may not be paid in full by Hill but will be treated as a claim against the Company.

**In any event policyholders should consider taking advice as to whether they should cancel their policy or not. If you are in any doubt as to the action you should take, please consult your broker or intermediary.**

### Claims

Policyholders should report any claims outstanding under existing policies to Hill as set out in the policy documents, however any claims should be addressed to Deloitte Limited, Merchant House, 22/24 John Mackintosh Square, Gibraltar. Any email correspondence should be sent to the following address: [ufficio.sinistri@hillinsurance.eu](mailto:ufficio.sinistri@hillinsurance.eu).

These claims will be processed by the Company under the supervision of the Provisional Liquidator. At this time it is not possible to predict the proportion of each policyholder's agreed claims that will ultimately be paid by Hill.



### **Informal Creditors' Committee**

The Provisional Liquidator hopes to, in due course, form an Informal Creditors' Committee to provide views on important issues

### **Broker Accounts**

From the date of appointment of the Provisional Liquidator, on 7<sup>th</sup> September 2012, all authority for brokers to account on a net basis with the Company is withdrawn. All accounting involving Hill should now be on a principal to principal basis. There should be no netting off of premiums or any other sums of any nature collected by brokers on behalf of Hill against payments due from Hill to any other policyholders or any other creditors of any nature with whom brokers do business, whether in respect of premiums, claims, expenses or otherwise.

### **Identification of Policyholders**

Policyholders should also be aware that the integrity and completeness of the books and records with which the Provisional Liquidator has been provided still requires further verification.

The Provisional Liquidator will be compiling a detailed breakdown of all the names and addresses of policyholders in due course. Much of this information is also available from brokers and intermediaries and I will be seeking their assistance in this regard. I will shortly be contacting brokers and intermediaries to detail the exact nature of the information required.

The Provisional Liquidator is also asking policyholders to complete and return the Policy Information Form (Appendix 1) enclosed with this letter, to Deloitte Limited, Merchant House, 22/24 John Mackintosh Square, Gibraltar and via email to [liquidatore@hillinsurance.eu](mailto:liquidatore@hillinsurance.eu).

### **Consent for communication by email**

The Provisional Liquidator is of the view that communication via email would be the most efficient and cost effective method of communicating further updates, notices and information to policyholders. As a result, policyholders are requested to provide their email address details in the attached Policyholder Information Form (Appendix 1). Provision of this information will constitute your consent and authorisation for the Provisional Liquidator to communicate with you by email in the future on matters relating to your policy and the Company.

# Deloitte.

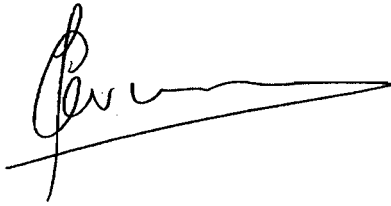
## Further Queries

The Provisional Liquidator requests that policyholders, brokers, and intermediaries send any correspondence to J Caruana, Provisional Liquidator Hill Insurance Company Limited, c/o Deloitte Limited, Merchant House, 22/24 John Mackintosh Square, Gibraltar. Any email correspondence should be sent to the following address which has been set up specifically for issues arising out of the provisional liquidation of Hill: [liquidatore@hillinsurance.eu](mailto:liquidatore@hillinsurance.eu).

Telephone enquiries on these matters should be made to Hill on 00350 20062407.

Regular updates and future communications will continue to be posted on Hill's website <http://www.hillinsurance.eu/>. The Provisional Liquidator shall be updating Hill's website with important information during the provisional liquidation of the Company and you are therefore advised to check the website on a regular basis.

Yours faithfully

A handwritten signature in black ink, appearing to read 'J Caruana', with a long horizontal flourish extending to the right.

**For and on behalf of  
Hill Insurance Company Limited**

**Joseph Caruana  
Provisional Liquidator acting without personal liability**



**APPENDIX 1**

**HILL INSURANCE COMPANY LIMITED (IN PROVISIONAL LIQUIDATION)**

**POLICYHOLDER INFORMATION FORM**

|     |  |  |
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| 1.  | NAME OF POLICYHOLDER                             |  |
| 2.  | POLICY NUMBER                                    |  |
| 3.  | POLICY START DATE                                |  |
| 4.  | POLICY EXPIRY DATE                               |  |
| 5.  | PREMIUM AMOUNT                                   |  |
| 6.  | DATE PREMIUM PAID                                |  |
| 7.  | AGENT/BROKER NAME                                |  |
| 8.  | BENEFICIARY DETAILS<br>(Including email address) |  |
| 9.  | POLICY TYPE                                      |  |
| 10. | GUARANTEED AMOUNT                                |  |
| 11. | POLICYHOLDER EMAIL<br>ADDRESS                    |  |