



# Grant Thornton

Policyholder name

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**Grant Thornton (Gibraltar) Limited**

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Date

## LEMMA EUROPE INSURANCE COMPANY LIMITED (IN LIQUIDATION)

### IMPORTANT NOTICE TO ALL POLICYHOLDERS OF LEMMA EUROPE INSURANCE COMPANY LIMITED

Dear Policyholder

#### Lemma Europe Insurance Company Limited (In Liquidation) ("The Company")

I am writing to you because the records and information available to me indicate that you are or may be the holder of a contract of insurance issued by the Company, to bring you up to date with recent developments.

On 24 January 2013, the Supreme Court of Gibraltar ("the Court") made an order winding up the Company and appointing me as the Company's liquidator ("the Order"). A copy of the Order will be made available at [www.lemmaeurope.com](http://www.lemmaeurope.com).

The Company is now being wound up under Gibraltar's Companies Act 1930 ("the Companies Act") and Insurers (Reorganisation and Winding Up) Act 2004 ("the 2004 Act"). Under that Gibraltar regime, the Company's insurance debts will be paid after the expenses of the liquidation and the specified classes of preferential debts, but in priority to all other debts of the Company. I enclose with this letter the formal notification required under the 2004 Act.

The Court has confirmed that, for the purposes of Directive 2001/17/EC of the European Parliament and the Council on the reorganisation and winding-up of insurance undertakings, which is implemented in Gibraltar by the 2004 Act, these winding up proceedings were opened on 28<sup>th</sup> September 2012 (when I was originally appointed as the Company's provisional liquidator).

The Court has permitted me to disclaim all contracts of insurance and all contracts of reinsurance under which the Company was or may be liable, and I have done so by written notice of Disclaimer signed before the Court on 24<sup>th</sup> January 2013 ("the Disclaimer"). A copy of the Disclaimer is available at [www.lemmaeurope.com](http://www.lemmaeurope.com).

The Disclaimer does not affect claims which have arisen under a contract of insurance prior to 24 January 2013. I have appointed Quest Consulting (London) Limited of Cutlers Court,

115 Houndsditch, London EC3A 7BR ("Quest") to assist me in the liquidation as claims manager. Policyholders should report claims to Quest and should continue to correspond with Quest in respect of outstanding claims, either by post or by email to: [phafner@quest-group.co.uk](mailto:phafner@quest-group.co.uk).

Following the Disclaimer, policyholders with an unexpired period of a contract of insurance will not be able to claim under their policy for an insured event or claim arising on or after 24 January 2013, but will have a pro rata claim for return of the premium which they have paid (unless the Liquidator agrees or the Court directs that they are entitled to prove in the liquidation for a different amount). I am permitted to admit such return of premium claims without requiring a separate formal proof, and I hope to be writing in the near future informing policyholders with such claims of the figure to which I have calculated they are entitled.

As I have indicated in my earlier letter to policyholders, policyholders in the UK may be eligible for compensation from the Financial Services Compensation Scheme ("FSCS"). Details can be found on the FSCS website at [www.fscs.org.uk](http://www.fscs.org.uk), and information from the FSCS specific to the insolvency of the Company is available at <http://www.fscs.org.uk/news/2012/october/lemma-insurance-europe-ltd-update/index.html>. Policyholders in other jurisdictions may similarly be eligible for compensation from their local compensation schemes.

The Court has directed me to report within 8 weeks with a recommendation as to the constitution of a Committee of Inspection to support my role as liquidator. If you would be interested in participating on such a committee, please contact me by email to [lemmacoi@gi.gt.com](mailto:lemmacoi@gi.gt.com) with details of any particular interest or experience which you consider would be of benefit on a Committee of Inspection.

On the best indications which are presently available to me, the Company will have a substantial deficit and will only be able to pay its preferential creditors and a dividend to policyholders. There is no realistic prospect of any dividend being paid to any other creditor. I cannot at present say when I will be in a position to declare a dividend or what level of dividend will be paid. I will provide further information in due course, when I will also explain the process for claiming in the liquidation.

Neither I nor my staff are in a position to advise individual policyholders in respect of their insurance cover, and questions of that nature should be addressed to policyholders' own brokers or intermediaries. Similarly, it is not my function to advise on the legal position of individual policyholders or creditors and this letter does not constitute the provision of legal advice; policyholders and creditors must consult their own legal advisors. I will however provide information on developments in the liquidation from time to time either by further letters or by posting information on the liquidation website at [www.lemmaeurope.com](http://www.lemmaeurope.com).

It will reduce the costs faced in the liquidation of the Company if I am able to communicate with you by email, and if you have not already done so I would be grateful if you would provide me with your preferred email address, which will constitute consent and authorisation for me, my staff and my agents to use email to communicate with you. It would be helpful if you would send details of your full name, policy reference number(s) and preferred email address to [lemma@gi.gt.com](mailto:lemma@gi.gt.com).

Yours faithfully



Frederick White  
as Liquidator of Lemma Europe Insurance Company Limited

Liquidation email address:

[lemma@gi.gt.com](mailto:lemma@gi.gt.com)

Liquidation website:

[www.lemmaeurope.com](http://www.lemmaeurope.com)

Mail address:

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## Notification of Winding Up Order and appointment of Liquidator in respect of Lemma Europe Insurance Company Limited

Notification of relevant decision to all known creditors of Lemma Europe Insurance Company Limited in accordance with Article 15(1) of the Directive 2001/17/EC of the European Parliament and the Council of 19 March 2001 on the reorganisation and winding-up of insurance undertakings, implemented in Gibraltar by section 6(1)(a) of the Gibraltar Insurers (Reorganisation and Winding Up) Act 2004 ("the 2004 Act")

Creditors will be notified separately of the date by which claims must be submitted in writing and the other matters specified in section 6(1)(b) of the 2004 Act

Insurance Undertaking	Lemma Europe Insurance Company Limited The Tower Office Marina Bay Gibraltar
Date, entry into force and nature of decision	Date: 24 January 2013  Entry into force: 24 January 2013  Order of the Supreme Court of Gibraltar winding up the Company, appointing Frederick David John White as the Company's Liquidator (" <b>the Liquidator</b> "), and giving procedural directions for the conduct of the liquidation (" <b>the Order</b> ")
Effect of decision on contracts of insurance	<p>The Order permitted the Liquidator to disclaim contracts of insurance and the Liquidator has done so by Notice of Disclaimer dated 24 January 2013.</p> <p>Claims which have arisen before the date of the Order under contracts of insurance are not affected by the Disclaimer. Such claims will need to be proved in the liquidation and will rank for dividend with the Company's other insurance debts in priority to the Company's other debts.</p> <p>Where there was an unexpired period of a contract of insurance at the date of the Order, the value of the policyholder's claim for that unexpired period will be such proportion of the last premium paid as is proportionate to the unexpired portion of the period in respect of which that premium was paid, unless the Liquidator shall agree or the Court shall direct that the policyholder is entitled to prove for a different amount. The Liquidator may admit such amounts without requiring a proof, and these amounts will rank for dividend with the Company's other insurance debts in priority to the Company's other debts.</p>

Date from which any variation to the risks covered by, or the sums recoverable under, contracts of insurance have effect.		Date: 24 January 2013
Appointed Liquidator		<p>Frederick David John White  Grant Thornton (Gibraltar) Limited  6A Queensway  (PO Box 64)  GIBRALTAR</p> <p>Tel: +350 200 45502  Fax: + 350 200 51071  Email: <a href="mailto:freddie.white@gi.gt.com">freddie.white@gi.gt.com</a></p>