

(In Liquidation)

5th November 2024

CBL Insurance Europe DAC (in liquidation) (“CBLIE”)

Dear Sir or Madam,

This letter is being sent to policyholders who have lodged a claim with CBLIE which has yet to be agreed, or who have an agreed unpaid claim, in both instances where CBLIE has contact details for those policyholders.

This letter is also being sent to all brokers, managing general agents, third party agents, intermediaries and policyholders who have placed business with CBLIE. All such brokers, managing general agents, third party agents and intermediaries are hereby requested to send this letter to each and every client who has or may have a claim against CBLIE.

Directions’ Application

As recorded in our letters in March and October 2020, I formed the view, with the benefit of legal advice, that it was necessary to seek Directions from the High Court in relation to the treatment of claims of policyholders in the liquidation (the “**Directions Application**”). The Directions Application was heard by the High Court over a period of two days on 3 March 2021.

On 31 July 2024, the High Court delivered judgment in relation to the Directions Application (the “**Judgment**”). If you wish to review the Judgment, a copy of it is found at: https://www.courts.ie/view/judgments/51847993-e93e-4931-b637-bf68976f5388/86dce2c0-c97f-486a-839d-511c0faa3133/2024_IEHC_484.pdf/pdf. In particular, please note that the High Court has determined that CBLIE’s insurance contracts ceased to produce effects on 12 March 2020, the date of the winding up Order.

I also enclose a copy of the Order of the High Court dated 27 September 2024, the schedule to which outlines the Orders made by the Court in relation to the Directions Application.

Submission of Claims

Following delivery of the Judgment and in accordance with section 674 of the Companies Act 2014, I have determined that it is appropriate for me to fix 14 January 2025 as the date by which any creditor of the Company must submit a claim and prove their debt. Please note that the obligation is on each creditor to prove its claim.

Accordingly, should any policyholder or creditor wish to submit a claim with appropriate proof of debt in the liquidation of CBLIE, please do so on or before 14 January 2025, failing which such policyholder or creditor may be excluded from the benefit of any prior distributions.

In connection with the submission and proof of claims, policyholders and creditors should note the following:

Agreed claims

Should your claim have been agreed with the Liquidator prior to the date of this letter, no further action is required on your part unless your contact or bank account details have changed since your claim was agreed, in which case, please provide such updated details to the Liquidator.

Claims yet to be agreed

If any policyholder or creditor has, prior to the date of this letter, submitted a claim which has yet to be agreed, such policyholder or creditor should ensure that they attend to all requests for information from the Liquidator in advance of 14 January 2025, failing which such policyholder or creditor may be excluded from the benefit of this distribution. Such policyholders or creditors may be entitled to receive a future dividend declared following any subsequent agreement of their claim. While any such future dividend cannot disturb prior dividends paid in respect of agreed claims, a future dividend would seek as far as possible to ensure that policyholders or creditors are not disadvantaged i.e. they may receive a dividend equivalent to the amount payable to that point if their claim had previously been agreed.

Claims subject to third-party processes

The Liquidator understands that claims of certain policyholders are presently subject to the outcome of certain judicial, quasi-judicial or other similar processes, which may not have concluded by 14 January 2025. Such policyholders may similarly be entitled to receive a future dividend declared following the conclusion of such process to ensure as far as possible that policyholders are not disadvantaged, i.e. they may receive a dividend equivalent to the amount payable if their claim had previously been agreed.

Claims for unearned premia

Finally, where a claim has not been made, a claim has been rejected or the Liquidator has been unable to conclude an assessment of the claim, policyholders may be entitled to a dividend in respect of unearned premia in respect of their policies. To enable the Liquidator to process such claims, please provide details of your policy, e.g. name, policy number, or other details which may be available to you and which may enable the Liquidator to identify you in CBLIE's records. Please also furnish the liquidator with details of your bank account and contact details to enable a dividend to be paid. Once such details have been provided, the Liquidator will be in a position to adjudicate on your claim. Where a claim has been made but has been rejected / not been determined, please provide the above information insofar as it has not previously been provided as part of the claim.

Contact details

All claims, correspondence or queries for the Liquidator should be sent using the details below.

Post: CBL Insurance Europe DAC (in liquidation), KPMG Restructuring, 1 Stokes Place, St. Stephen's Green Dublin 2.

Email: policyqueries.cblie@kpmg.ie

Resignation of Joint Liquidator

I confirm that Kieran Wallace has resigned from KPMG. As a consequence, Mr Wallace also resigned as a Joint Liquidator of CBLIE on 16 May 2023. I remain appointed as liquidator with the full support of the KPMG team.

Yours sincerely,



Cormac O'Connor
Liquidator

THE HIGH COURT

Record Number 2020/77 COS

IN THE MATTER OF CBL INSURANCE EUROPE DESIGNATED ACTIVITY COMPANY

AND IN THE MATTER OF THE INSURANCE ACT 1936


AND IN THE MATTER OF THE COMPANIES ACT 2014

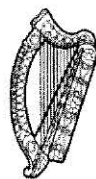
NOTICE TO EACH POLICYHOLDER OR CREDITOR WHO HAS, OR MAY HAVE, A CLAIM
AGAINST CBL INSURANCE EUROPE DESIGNATED ACTIVITY COMPANY (IN
LIQUIDATION) (THE "COMPANY")

Notice is hereby given that any creditor of the Company is required to submit and prove any debt claimed by such creditor against the Company by delivering details of the claim together with all necessary supporting documentation to CBL Insurance Europe DAC (in liquidation), KPMG Restructuring, 1 Stokes Place, St. Stephen's Green Dublin 2 or by email to policyqueries.cblie@kpmg.ie on or before 14 January 2025, being the date which the Liquidator has fixed pursuant to section 674(1) of the Companies Act 2014 as the date within which any creditor of the Company must submit a claim and prove their debt.

In default of lodging claims within the time specified, any such creditor may be excluded from the benefit of any distribution made before their debt or claim is proved. The onus is on a creditor to prove its claim. A claim can only be adjudicated on the basis of the proof provided and if those details are insufficient a claim may be rejected or admitted in part only.

Dated this 5th day of November 2024

Signed: 
Cormac O'Connor
Liquidator



AN ARD-CHÚIRT
THE HIGH COURT

2020/77 COS

FRIDAY THE 27TH DAY OF SEPTEMBER 2024

BEFORE THE PRESIDENT

**IN THE MATTER OF THE CBL INSURANCE EUROPE DESIGNATED
ACTIVITY COMPANY**

AND IN THE MATTER OF THE INSURANCE ACT 1936

AND IN THE MATTER OF THE COMPANIES ACT 2014

On the application of Kieran Wallace and Cormac O'Connor (the "**Applicant**"), the Joint Liquidators of CBL Insurance Europe Designated Activity Company (In Liquidation) (the "**Company**") pursuant to section 631(1) of the Companies Act 2014 (the "**2014 Act**") (the "**Application**")

And on noting the resignation of Kieran Wallace as Liquidator of the Company on 16 May 2023, the circumstances of which were detailed in the Affidavit of Kieran Wallace sworn herein on the 2nd day of May 2023 and the Affidavit of Lisa Smyth sworn herein on the 29th day of May 2023, and on noting that the Applicant remains as liquidator of the Company and that the Application continues in his name and the Order of the Court dated the 30th day of May 2023

And upon reading the stamped *ex parte* docket dated the 1st day of October 2020, the Affidavit of Cormac O'Connor sworn herein on the 29th day of September 2020, the Affidavit of Grace Armstrong sworn herein on the 2nd day of October 2020, the Affidavit of Lisa Smyth sworn on the 26th day of November

2020, the Affidavit of Lisbet Dyerberg sworn on the 21st day of December 2020, the final form unsworn Affidavit of Casey McGrath and the documents and exhibits referred to in the said Affidavits

And the matter coming on for hearing before the Court on the 3rd day of March 2021

And on hearing from Counsel for the Applicant and Counsel for the Financial Services Compensation Scheme Limited (the "FSCS")

And **THE COURT IDENTIFYING FOR DETERMINATION** certain issues arising from the *ex parte* docket and the Affidavit of Cormac O'Connor:

And **THE COURT WAS PLEASED** to reserve its judgment herein

And **THE COURT HAVING DELIVERED** its Judgment herein on the 31st Day of July 2024

And the matter coming before the Court for the making of final orders in relation to the application on this day

THE COURT DOTH DECLARE that its directions in respect of the issues arising for determination are as set out in the Schedule hereto

And the Court having reserved its Judgment in relation to the costs of the Application


And the Court hearing from Counsel for the Applicant and Counsel for the FSCS in relation to the costs of the Application

IT IS ORDERED that the costs of the Applicant and the costs of the FSCS in respect of the Application both be costs in the liquidation

NAOMI TAMBLYN
REGISTRAR

Perfected: 30th September 2024

A COPY WHICH I ATTEST



FOR REGISTRAR

McCann FitzGerald LLP

Solicitors for Cormac O'Connor, Liquidator of CBL Insurance Europe
Designated Activity Company (in liquidation)

Walkers (Ireland) LLP

Solicitors for the Financial Services Compensation Scheme Limited

SCHEDULE

	Directions
1	A contract of insurance to which the Company was a party at the date of the winding-up order (12th March 2020) (the “ Relevant Date ”), and which has not terminated automatically according to its terms, ceases to have effect or was otherwise terminated or discharged as a result of the making of the winding-up order which effected a termination of the contracts.
2	
(a)	Having regard to ss. 619 and 620 of the 2014 Act and s. 75(1) of the Bankruptcy Act 1988 Act (the “ 1988 Act ”), as properly interpreted, a claim made under a policy of insurance issued by the Company which was terminated or discharged or otherwise ceased to produce effects on the date of the making of the winding-up order should be admitted to proof in the winding up of the Company as liabilities of the Company which arose by reason of an “ <i>obligation incurred</i> ” by the Company under the first limb of s. 75(1) of the 1988 Act which applies in the case of the winding up of the Company by virtue of ss. 619 and 620 of the 2014 Act. The relevant “obligation” was “incurred” under the first limb of s. 75(1) when the relevant policy or contract of insurance was entered into by the Company with the insured. The liability of the Company under such a contract is a contingent liability. The insured is entitled to submit, and the Liquidator is obliged to admit to proof against the Company in the winding up a claim in respect of an event which is insured under the relevant contract where the event occurs after the Relevant Date.
(b)	Claims under policies or contracts of insurance issued by the Company are provable in the winding up of the Company based on an “obligation incurred” and the date on which the “obligation” was “incurred” is the date upon which the relevant contract was entered into, and not the date on which the insured event occurred.
(c)	If a claim is sought to be made under the second limb of s. 75(1), being a claim for unliquidated damages arising from a “wrong” that occurred before the Relevant Date, it is not sufficient merely that the “wrong” or insured event (assuming that is the same as the “wrong”) was committed or occurred before that date, without more.
(d)	In the unlikely event that claims are made in reliance on the second limb of s. 75(1), in order for those claims to be admitted to proof in the winding-up, it would be necessary to show that the Company was “liable” at the date of the making of the winding-up order by reason of the relevant “wrong”. In other words, the cause of action in respect of the “wrong” would have to be complete by that date.
3	The Liquidator is obliged to admit to proof in the winding up of the Company claims which are made under policies which relate to events which were insured events under the policies and which had not occurred before the Relevant Date but which may occur and be notified to the Company at some point in the future. Such claims fall within the first limb of s. 75(1) of the 1988 Act. The Company’s liability under the

	relevant policies was a contingent liability which arose by reason of an “obligation incurred” by the Company under those policies. Insofar as the policies do not fall within s. 17 and the Sixth Schedule to the Insurance Act 1909 (the “1909 Act”), the “hindsight” principle described in <i>In Re Northern Counties of England Fire Insurance Company, MacFarlane’s Claim</i> (1880) 17 Ch. D. 337 (“ <i>MacFarlane’s Claim</i> ”) and discussed in a number of the subsequent cases should be applied by the Liquidator in making a “just estimate” of those claims under s. 620(1) of the 2014 Act. If any of the policies fell within the Sixth Schedule to the 1909 Act, the relevant method of valuation set out in that Schedule must be applied.
Supplemental Question (a)	The Liquidator is required to treat claims made under policies of insurance which relate to events which have occurred but which have not been notified at the Relevant Date (and assuming that any reporting or notification obligations under the relevant policies are complied with) by attempting, as best he can, to make a “just estimate” of those claims under s. 620(1) of the 2014 Act.
Supplemental Question (b)	The Liquidator is required to treat claims which may be made under policies of insurance which relate to events which have not occurred before the Relevant Date, where those events are insured events under the policies, in the manner outlined in the answer to Paragraph 2(a) above. In making a “just estimate” in respect of such claims, for policies which are not covered by the 1909 Act, he is required to apply the “hindsight” principle in <i>MacFarlane’s Claim</i> . If any of the policies fall within the Sixth Schedule to the 1909 Act, the relevant method of valuation set out in that Schedule must be applied.
4	
(a)	A claim by an insured or policyholder or other beneficiary referred to in Article 268(1)(g) of the Solvency II Directive for the return of unearned premiums paid under an insurance contract where the contract has been terminated or discharged by virtue of the opening of the winding-up proceedings on the making of the winding-up order is an “insurance claim” within the meaning of that term in Article 268(1)(g) of the Solvency II Directive (and Regulation 270(1) of the Solvency II Regulations).
(b)	A claim by a person who has paid a premium to an insurance undertaking for the return of that premium from the insurance undertaking in circumstances where an insurance contract was, either, not concluded or cancelled (in accordance with the law applicable to the contract) before the opening of the winding-up proceedings is also considered to be and is an “insurance claim” by virtue of the second subparagraph of Article 268(1)(g) of the Solvency II Directive (and Regulation 270(2) of the Solvency II Regulation).

A COPY WHICH I ATTEST



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