

No 10587 of 2008

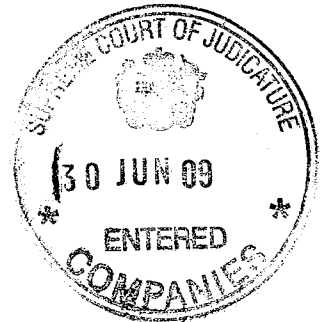
IN THE HIGH COURT OF JUSTICE

CHANCERY DIVISION

COMPANIES COURT

MR JUSTICE BLACKBURNE

25 JUNE 2009



IN THE MATTER OF THE NAMES AT LLOYD'S FOR THE 1992 AND PRIOR YEARS OF ACCOUNT, REPRESENTED BY EQUITAS LIMITED

AND IN THE MATTER OF EQUITAS INSURANCE LIMITED (FORMERLY KNOWN AS SPEYFORD LIMITED)

AND IN THE MATTER OF PART VII OF THE FINANCIAL SERVICES AND MARKETS ACT 2000

ORDER

UPON THE APPLICATION by Claim Form dated 26 November 2008 of:

1. the Names at Lloyd's for the 1992 and prior years of account, represented for the purposes of this scheme by Equitas Limited, a company registered in England and Wales (registered number 3173352) whose registered office is at 33 St Mary Axe London EC3A 8LL; and
2. Equitas Insurance Limited (formerly known as Speyford Limited), a company registered in England and Wales (registered number 06704451) whose registered office is at 33 St Mary Axe London EC3A 8LL (together, the "**Applicants**"),

for the Court's sanction of an insurance business transfer scheme (the "**Scheme**") pursuant to Part VII of the Financial Services and Markets Act 2000 (the "**Act**") for the transfer to Equitas Insurance Limited of the Transferring Assets, Transferring Policies and Transferring Liabilities (each as defined in the Scheme)

AND UPON HEARING Counsel for the Applicants; Counsel for the Society of Lloyd's and Lioncover Insurance Company Limited; and Counsel for the Financial Services Authority ("**FSA**")

AND UPON HEARING Counsel for Equitas Holdings Limited, Equitas Reinsurance Limited, Equitas Policyholders Trustee Limited, Resolute Management Services Limited and the Equitas Trustees (as defined in the Scheme) solely for the purpose of giving the undertakings set out below

AND UPON HEARING Mr Stephen Merrett and Mr Christopher Stockwell

AND UPON READING the evidence

AND UPON THE UNDERTAKINGS of the Applicants, Equitas Holdings Limited, Equitas Reinsurance Limited, Equitas Policyholders Trustee Limited, Resolute Management Services Limited and the Equitas Trustees by their Counsel to be bound by the Scheme and to do all such acts and things as may be necessary or expedient to be executed or done by them for the purposes of giving effect thereto

AND UPON THE UNDERTAKINGS of the Society of Lloyd's and Lioncover Insurance Company Limited by their Counsel to be bound by the Scheme and to do all such acts and things as may be necessary or expedient to be executed or done by them for the purposes of giving effect thereto

AND UPON THE UNDERTAKING of Equitas Holdings Limited by its Counsel to comply with the terms of the undertaking set out in the letter attached as Schedule 1 hereto

THIS COURT HEREBY SANCTIONS, pursuant to section 111 of the Act, the Scheme in the form attached as Schedule 2 hereto

AND IT IS ORDERED that, pursuant to section 112 of the Act, (using the definitions set out in the Scheme) on and from the Effective Date, without any further act or instrument, and in accordance with the terms of the Scheme:

1. the Transferring Assets, and all the estate and interest of the Names in the Transferring Assets shall be transferred to, and be vested in, Equitas Insurance Limited subject to all Encumbrances (if any) affecting the Transferring Assets;

2. Equitas Insurance Limited shall be entitled to all the rights, benefits and powers, and be subject to all the obligations and Liabilities, of the Names whatsoever subsisting on the Effective Date under or by virtue of the Transferring Policies;
3. Equitas Insurance Limited shall be entitled to all and any right, title and interest Names may have in the Syndicate Reinsurance Contracts which shall continue to operate and cover the Transferring Policies in the same way and to the same extent after the Effective Date as prior to the Effective Date and, in particular, no additional set-off rights or obligations will be created, and no existing set-off rights or obligations will be extinguished, purely by virtue of the transfer of the 1992 and Prior Business into one entity;
4. the Transferring Liabilities, and all the estate and interest of the Names in the Transferring Liabilities, shall be transferred to, and become liabilities of, Equitas Insurance Limited and shall cease to be liabilities of the Names;
5. Equitas Insurance Limited shall discharge on behalf of the Names or, failing that, indemnify the Names against:
 - 5.1. all Transferring Liabilities and Liabilities under the Residual Policies whether the same shall arise prior to or following the Effective Date; and
 - 5.2. to the extent the same would be recoverable by the Names under the Names Reinsurance Contracts but for the Scheme, each other cost, claim, loss, damages, Liability or expense (whatsoever) incurred in connection with the Transferring Business including the conduct of Proceedings referred to in paragraph 13 below, whether arising prior to or following the Effective Date;

and any payment made on behalf of, or to, the Names under this paragraph 5, shall, to the extent it relates to a risk that has been ceded to a third party under an Outwards Reinsurance Contract, be deemed to be a payment by Equitas Insurance Limited for the purposes of the Outwards Reinsurance Contract and shall give rise to a claim thereunder;

6. all the rights, benefits and powers conferred on or vested in the Names or their agents (other than ERL) and all the Liabilities imposed on the Names or their agents (other than ERL), by or under the Transferring RROC Provisions, shall be transferred to, and be vested in, Equitas Insurance Limited (in respect of the RROC Reinsurance Rights, subject to the rights therein of EPTL) and the Equitas Reinsurance Contract shall be amended and take effect as set out in the Scheme;

7. all the rights, benefits and powers conferred on or vested in the PCW Names and all the Liabilities imposed on the PCW Names, by or under the PCW Reinsurance Contracts, shall be transferred to, and be vested in, Equitas Insurance Limited who shall be substituted as a party in place of the PCW Names as if Equitas Insurance Limited had been an original party thereto from the inception of the PCW Reinsurance Contracts;
8. all the rights, benefits and powers conferred on or vested in Lioncover and all the Liabilities imposed on Lioncover, by or under the Transferring Lioncover Provisions, shall be transferred to, and be vested in, Equitas Insurance Limited and the Lioncover Reinsurance Contract shall be amended and take effect as set out in the Scheme;
9. the PCW Reinsurance Contracts shall terminate and have no further validity or effect and:
 - 9.1. each party to the PCW Reinsurance Contracts shall be irrevocably released and discharged from all past, present and future Liabilities which arise under the PCW Reinsurance Contracts; and
 - 9.2. without prejudice to the validity of any reinsurance claims made under the PCW Reinsurance Contracts, to the extent they have not been paid all outstanding reinsurance claims under the PCW Reinsurance Contracts shall be deemed to become reinsurance claims under the Lioncover Reinsurance Contract;
10. all the rights, benefits and powers conferred on or vested in the Warrilow Names and all the liabilities imposed on the Warrilow Names, by or under the Warrilow Reinsurance Contracts, shall be transferred to, and be vested in, Equitas Insurance Limited who shall be substituted as a party in place of the Warrilow Names as if Equitas Insurance Limited had been an original party thereto from inception of the Warrilow Reinsurance Contracts and the Warrilow Reinsurance Contracts shall be amended and take effect as set out in the Scheme;
11. all the rights, benefits and powers conferred on or vested in the Warrilow Names or their agents (other than ERL) and all the Liabilities imposed on the Warrilow Names or their agents (other than ERL), by or under the Transferring Centrewrite Provision, shall be transferred to, and be vested in, Equitas Insurance Limited and the Centrewrite Reinsurance Contract shall be amended and take effect as set out in the Scheme;
12. the EPTL Trust Declaration shall be amended and restated in the form set out in Schedule 4 to the Scheme;

13. any Proceedings which are pending by or against the Names in connection with the Transferring Policies, Transferring Assets or Transferring Liabilities shall be continued by or against Equitas Insurance Limited who shall be entitled to all defences, claims, counterclaims and rights of set-off that would have been available to the Names in relation thereto, and Equitas Insurance Limited shall be entitled to direct the Names as to the conduct of any on-going Proceedings that are not subject to oversight or control by ERL under the Equitas Reinsurance Contract and Equitas Insurance Limited shall have full authority (with authority to sub-delegate) to act on behalf of the Names in respect of any such Proceedings;

AND IT IS ORDERED that:

14. in accordance with section 114(2) of the Act:
 - 14.1. notice of the making of this Order giving effect to the transfer shall be published in each of the 30 EEA States by the insertion of a notice in an international newspaper circulating in each of the EEA States; and
 - 14.2. such notice is to specify the period during which the holder of the policy included within a transfer for which the Scheme provides, which evidences a contract of direct insurance as regards which the relevant EEA State in which the risk is situated, may exercise the right (if any) under the law of the relevant EEA State to cancel the policy being within a period of 21 days starting from the date of such publication or other period (if any) as the law of the relevant EEA State provides;
15. in accordance with section 112(10) of the Act, Equitas Insurance Limited shall within 7 days from the date of this Order, or such longer period as the FSA shall allow, deposit two office copies of this Order with the FSA;
16. there shall be liberty to apply for such orders as may be expedient or necessary for the purposes set out in section 112 of the Act and generally.

SCHEDULE 1

**Letter dated 18 June 2009 from Equitas Holdings to Equitas Limited and
Equitas Insurance Limited**

SCHEDULE 2

Scheme

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ORDER

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The High Court of Justice
and quote the case number