

PROMETHEUS INSURANCE COMPANY LIMITED
In Liquidation

FIRST LIQUIDATOR'S PROGRESS REPORT

21 MAY 2025

Prometheus Insurance Company Limited – In Liquidation

Contents

1	Introduction
2	Insurance Business of the Company
3	Communication with Creditors
4	First Meeting of Creditors
5	Administration and Adjudication of Claims
6	Reinsurance
7	Assets Due from Related Parties
8	Claims for Recoveries
9	Projected Liquidation Outcome
10	Receipts and Payments Account

Appendices

A Receipts and payments account for the period 13 March 2023 to 31 December 2024.

Prometheus Insurance Company Limited – In Liquidation

1. Introduction

By Order of the Supreme Court on 27th January 2021 (“the Order”), I was appointed Administrator of Prometheus Insurance Company Limited (“the Company”). The Order included the following power:

“The Administrator shall in addition to the express powers set out in Section 71 and Schedule 1 to the Insolvency Act 2011 (“the Act”) be granted leave pursuant to Section 72 (1) (b) of the Act to make distributions to insurance creditors up to the value of 80% of the agreed/ admitted insurance claim.”

The Administrator’s proposals agreed at the meeting of creditors held on 22nd February 2021 included amongst other proposals:

- That the Company continues the submission of bordereaux and collection of recoveries from co insurers, quota share reinsurers and excess of loss reinsurers to use such funds, along with other asset recoveries, to meet the expenses of the administration and meet payments of insurance creditors at an initial 65% of the agreed claims.
- That at the time of any outcome or conclusion reached in respect of the collection and realisation of the recorded assets of the Company external to reinsurance recoveries the Administrator will consider increasing the level of distributions to insurance creditors from the initial 65% and will communicate such decision to insurance creditors.

At a meeting of creditors held on 9th January 2023, a majority of creditors voted to amend the Administrator’s proposal as follows:

- (i) Increasing the level of distributions to insurance creditors to 80% of the admitted claim in accordance with the provisions of the Court Order of 27 January 2021.
- (ii) Increasing the 65% level of distribution already made to admitted insurance creditors by up to 15% to no more than a combined level of distributions in the administration of 80% of the admitted claim.
- (iii) Terminating the administration by way of the appointment of a liquidator to the company with such application being submitted to the Supreme Court in early 2023.

On 13th March 2023 the Supreme Court of Gibraltar ordered that the Administration Order dated 27th January 2021 be discharged with immediate effect and that the Administrator be released. The Order also appointed me, Frederick White as Liquidator of the Company under Section 63 of the Insolvency Act, 2011.

Prometheus Insurance Company Limited – In Liquidation

2. Insurance Business of the Company

The Company was licensed on 7 November 2001 under the Gibraltar Financial Services (Insurance Companies) Act and was authorised to write the following classes of business:

- Class 3 (Land Vehicles)
- Class 7 (Goods in Transit)
- Class 8 (Fire and Natural Forces)
- Class 9 (Damage to Property)
- Class 10 (Motor Vehicle Liability)
- Class 13 (General Liability)
- Class 17 (Legal Expenses)

The Company was authorised to carry out services in the United Kingdom, Ireland, Spain, Portugal and Cyprus and additionally provided private and commercial motor insurance in Gibraltar.

On 31 December 2019, the Company ceased writing new business and went into run-off. All live policies expired on or before 31 December 2020.

The great majority of insurance creditors are resident in the UK and eligible policyholders are protected by the Financial Services Compensation Scheme (“FSCS”).

3. Communication with Creditors

As set out in the Order dated 13th March 2023:

- The Liquidator shall have leave to communicate with creditors (including in relation to the sending and service of any notices as required by the Financial Services (Insurance Companies) Regulations 2020, the Insolvency Act 2011 and the Insolvency Rules 2014) by email where the Company has the email address of the creditor concerned.
- The requirement for the Liquidator to send proof of debt forms to each known creditor be dispensed with in accordance with Rule 111 of the Insolvency Rules 2014.

4. First Meeting of Creditors

It is my understanding Section 174 of the Insolvency Act provides that a liquidator appointed by the Court is not required to call a meeting of creditors under section 170 if:

“he considers that, having regard to the assets and liabilities of the company, the likely result of the liquidation of the company and any other relevant matters that it is not necessary for a meeting to be held”

A meeting of creditors was held on 9th January 2023 at which modifications to the initial administrator’s proposals were approved. The approved modifications included the termination of the administration by way of the appointment of a liquidator. As required by Section 84 of the Insolvency Act a report was provided to creditors setting out the

Prometheus Insurance Company Limited – In Liquidation

proposed modifications and explaining the purpose of the liquidation to continue with the timely settlement of claims enabling eligible policyholders to be protected by the FSCS. In line with the requirements of Section 174, I decided not to call a first meeting of creditors as I considered, given the information already provided to creditors, that it was not necessary for a meeting to be held.

5. Administration and Adjudication of claims

United Kingdom insurance claims

As at 31 December 2024 adjudicated and reserved United Kingdom (“UK”) insurance claims gross of reinsurance during the liquidation period amounted to £116,226,260.

Quest Group have been engaged to manage UK claims and to facilitate the upload of data to the FSCS.

The great majority of insurance creditors are resident in the UK and eligible policyholders are protected by the Financial Services Compensation Scheme (“FSCS”). The FSCS is the largest single insurance creditor and has been proactive in assisting with the administration of insurance claims.

Republic of Ireland insurance claims

As at 31 December 2024 adjudicated and reserved Republic of Ireland (“ROI”) insurance claims gross of reinsurance during the liquidation period amounted to £1,802,274.

Prestige Insurance Services Ltd continue to manage motor claims arising in the ROI.

Quest Group manage non-motor claims arising in the ROI.

The Company is registered in Ireland with the Central Bank under the Temporary Run Off Regime. The Company is currently working with all interested parties to make its first application to the Irish High Court for payments from the Insurance Compensation Fund of Ireland.

Claims on non-ROI registered vehicles are referred to alternative compensation funds in the vehicle’s country of registration for consideration.

Gibraltar Insurance claims

As at 31 December 2024 adjudicated and reserved Gibraltar motor insurance claims gross of reinsurance during the liquidation period amounted to £2,462,333.

Claims management staff retained by the Liquidator in Gibraltar continue to manage claims arising in Gibraltar.

Insurance creditors in Gibraltar are not protected by a compensation fund.

Claims on non-Gibraltar registered vehicles are referred to alternative compensation funds in the vehicle’s country of registration for consideration.

Prometheus Insurance Company Limited – In Liquidation

Portugal insurance claims

As at 31 December 2024 adjudicated and reserved Portuguese motor insurance claims gross of reinsurance during the liquidation period amounted to £168,450.

Claims management staff retained by the Liquidator in Gibraltar continue to manage claims arising in Portugal.

I have been advised that the Portuguese Motor Vehicle Compensation Fund “Fundo de Garantia Automóvel” only covers risks where the vehicle is registered in Portugal.

Claims on non-Portugal registered vehicles are referred to alternative compensation funds in the vehicle’s country of registration for consideration.

Spain insurance claims

As at 31 December 2024 adjudicated and reserved Spanish motor insurance claims gross of reinsurance during the liquidation period amounted to £476,135.

Claims management staff retained by the Liquidator in Gibraltar continue to manage claims arising in Spain.

The Company’s insurance creditors in Spain are not protected by a compensation fund. I have been advised that only insurance creditors of a Spanish registered insurer are protected.

Claims on non-Spain registered vehicles are referred to alternative compensation funds in the vehicle’s country of registration for consideration.

Cyprus insurance claims

As at 31 December 2024 adjudicated and reserved Cypriot motor insurance claims gross of reinsurance during the liquidation period amounted to £3,664.

Eligible Insurance creditors in Cyprus are protected by the Motor Insurer’s Fund of Cyprus.

Claims management staff retained by the Liquidator in Gibraltar continue to manage claims arising in Cyprus, should further claims arise.

6. Reinsurance

The Company operated an extensive program of reinsurance for the motor line of business. This included quota share reinsurance and excess of loss contracts. The program is largely placed with highly rated London Market and European reinsurers, with whom I endeavour to maintain a good relationship to ensure their continued support. Applications for recoveries under contracts of reinsurance have been submitted and as at 31 December 2024 reinsurance payments of £27.9 million had been received, with anticipated further receipts of £81.1 million during the course of the liquidation.

Prometheus Insurance Company Limited – In Liquidation

7. Assets Due from Related Parties

The Statement of Affairs of the company dated 2nd February 2021 indicated that a Group loan of £2,303,899.60 from Tradewise Holdings Ltd was receivable as an asset of the company. An estimated realisable value of £1 million was assigned against this loan. During the Administration period, £390,000 was recovered in respect of this loan. Discussions are continuing to recover further funds.

Tradewise Group of Companies Ltd entered into Administration on 21st January 2022 and was dissolved on 20 April 2023. The Company had claims in excess of £7.4 million due under a loan agreement. Prior to the company being dissolved, recoveries of £50,222 were made against the loan agreement. I am advised that there will be no further material recovery for the Company.

Tradewise Insurance Services Ltd entered into Liquidation on 1st March 2022. The Company has claims in the liquidation of Tradewise Insurance Services Ltd in respect of the recovery of disputed commission clawbacks amounting to circa £13.1 million. I am advised that there will be no material recovery for the Company.

Unicom Insurance Services Ltd entered into Administration on 6th June 2022 and subsequently into Liquidation on 24th May 2023. The Company has claims in the liquidation of Unicom Insurance Services Ltd in respect of the recovery of disputed commission clawbacks amounting to circa £100,000. I am advised that there will be no material recovery for the Company.

8. Claims for Recoveries

No claims for recoveries are currently planned.

9. Projected Liquidation Outcome

While emphasising the uncertainty at this time as to the total amount of insurance creditors, and consequently what the related reinsurance recoveries might ultimately be, current best estimates indicate that total insurance claims (gross of reinsurance) might amount to £121 million (excluding IBNR provisions). If such claims figures were to materialise with corresponding reinsurance recoveries, an estimated outcome of up to 80% could be available for distribution to insurance creditors.

In accordance with the Liquidation Order dated 13th March 2023, in exercising his powers pursuant to Sections 198(1)(c) and 198(2) of the Insolvency Act 2011, the Liquidator shall first credit the amount distributed to any insurance creditor during the Administration when declaring a distribution of assets to insurance creditors in the Liquidation.

In accordance with section 152 of the Financial Services (Insurance Companies) (Solvency II Directive) Act, insurance claims take precedence over other claims as specified in subsections (2) and (3) of section 152. With regard to assets representing technical provisions, insurance claims shall take absolute precedence over any other claim on the insurance undertaking under section 152(2) and with regard to the whole of the

Prometheus Insurance Company Limited – In Liquidation

assets of the insurance undertaking under section 152(3), insurance claims take precedence over any other claims other than:

- a) Claims by employees arising from employment contracts and employment relationships;
- b) Claims by public bodies on taxes;
- c) Claims by social security systems, and
- d) Claims on assets subject to rights in rem.

There are no known outstanding preferential creditors in the estate.

Given the priority afforded under Gibraltar's insurance legislation to insurance claims there is in my view no realistic prospect that creditors other than insurance creditors and the other creditors mentioned in section 152(3) will have any economic interest in the liquidation of the Company.

10. Receipts and Payments Account

I have attached to this report a copy of my receipts and payments account from 13 March 2023 the date of my appointment as Liquidator, to 31 December 2024.



F D J White

Liquidator

A copy of this report can be found on the liquidation website – www.prometheusinsurance.com

Prometheus Insurance Company Ltd (in Liquidation by the Court)

**Liquidator's Receipts and Payments Account for the Period
13 March 2023 to 31 December 2024**

	£
<u>Bank Balances Taken Over from Administrator</u>	1,932,008.96
<u>Receipts</u>	
Reinsurance Recoveries	27,856,699.09
UK FSCS Contribution	81,211.01
Co Insurance recoveries	431,254.22
UK claims recoveries	35,877.12
Spain claims recoveries	24,282.35
Gibraltar claims recoveries	17,601.18
ROI claims recoveries	5,551.44
Interest receivable	927,882.93
Prepaid Bank Charges refunded	46.13
Fraudulent Cheques Returned	80.00
Receipts for Realisation of TW300 Asset	7,306.91
<u>Total receipts</u>	<u>29,387,792.38</u>
<u>Payments</u>	
Reinsurance Payable	663,381.01
Co Insurance Payments	792,523.03
Claims Defence Costs - UK	31,625.12
Claims Defence Costs - Gibraltar	68,272.48
Claims Defence Costs - ROI	171,416.88
Claims Defence Costs - Portugal	14,855.48
Claims Defence Costs - Spain	5,338.64
Claims Recoveries Returned - UK	3,119.08
FSCS payable	1,251.20
Administration Claims Costs - Gibraltar	184,949.91
Claims Management Costs	1,312,580.58
Claims IT system costs	140,700.00
Administrator's legal fees	34,943.88
Liquidator Application Fees	60,708.75
Liquidator's fees	927,605.41
Liquidator Costs - General	340.24
Professional fees	41,006.83
Legal fees	18,791.25
Payroll	239,777.88
Office expenses	51,758.72
Payments for Realisation of TW300 Asset	43.00
Bank charges	2,448.26
Fraudulent Cheques Cashed	80.00
Bank Interest Payable	1.38
<u>Total payments</u>	<u>4,767,519.01</u>
FX Gain / (Loss)	(7,711.97)
<u>BALANCE IN HAND</u>	<u>26,544,570.36</u>
Represented by:	
Natwest International	26,529,159.24
Claims float accounts	15,411.12
	<u>26,544,570.36</u>