

8 February 2023

Joint Administrators' progress report for the period 11 June 2022 to 10 December 2022

Elite Insurance Company Limited – (in Administration)

The Supreme Court of Gibraltar
Case No. 2019/COMP/002



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Further information about the Administration can be found at www.pwc.co.uk/elite-insurance

Abbreviations and definitions

The following table shows the abbreviations and insolvency terms that may be used in this report:

Abbreviation or definition	Meaning
Accrued Liability	A liability agreed before the end of the validity of the relevant insurance policy
Administration	The Administration of Elite Insurance Company Limited
ATE	After the event insurance
Cedents/Reinsurance Creditors	Unsecured non-preferential creditors whose claims arise from being holders of policies of reinsurance issued by the Company
Company/Elite	Elite Insurance Company Limited (in Administration)
Court	The Supreme Court of Gibraltar
Creditors	Secured, Preferential and Unsecured creditors as a whole
DA ATE	Delegated authority - after the event insurance
Direct Insurance Creditors	Unsecured non-preferential creditors whose claims arise from being direct policyholders of the Company excluding Cedents
DO	A dommage ouvrage insurance policy taken out by French homeowners for building defects
EU	European Union
FCA	The UK Financial Conduct Authority
FGAO	Fonds de Garantie des Assurances Obligatoires de dommages (French compensation scheme fund for compulsory damage insurance)
FSICR	Financial Services (Insurance Companies) Regulations 2020
FSCS	UK Financial Services Compensation Scheme
GAF	Greek Auxiliary Fund
GIA11	Gibraltar Insolvency Act 2011
GIR14	Gibraltar Insolvency Rules 2014
GFSC	Gibraltar Financial Services Commission
ICF	Irish Insurance Compensation Fund
IPT	Insurance Premium Tax
Joint Administrators/we/us/our	Edgar Lavarello of PricewaterhouseCoopers Limited Gibraltar and Dan Schwarzmann of PricewaterhouseCoopers LLP UK
Preferential Creditors	Creditors listed in section 2 of the Schedule GIR14, mainly relating to amounts due to employees, amounts deducted from employee remuneration, and amounts due to the Government of Gibraltar.
Period	11 June 2022 to 10 December 2022
Proposals	The Administrators' proposals for the Administration of Elite dated 9 February 2020
PwC	PricewaterhouseCoopers Limited Gibraltar and/or PricewaterhouseCoopers LLP UK
Quest	Quest Consulting (London) Limited (as Elite's run-off agent)
RB ATE	Rate Based - after the event insurance
RCD	A Responsabilité Civile Décennale insurance policy taken out by French property builders for building defects
SCA	Irish State Claims Agency
Secured Creditors	Creditors with security in respect of their debt
TRR	Temporary Run-Off Regime

Abbreviation or definition	Meaning
Unsecured Creditors	Creditors who are neither Secured creditors nor Preferential creditors (including creditors by virtue of any insurance contract)
VAT	UK Value Added Tax
Website	www.pwc.co.uk/elite-insurance

This report has been prepared by Edgar Lavarello and Dan Schwarzmann as Joint Administrators of the Company, solely to comply with their statutory duty to report to Creditors under GIA11 and GIR14 on the Administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This report has not been prepared in contemplation of it being used, and it is not suitable to be used, to inform any investment decision in relation to the debt of or any financial investment in the Company.

Any estimated outcomes for Creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcome for Creditors.

Some reference is made in this report to occasions on which the Joint Administrators have consulted legal advisers. However, the Joint Administrators do not intend to waive any privilege that they have, or Elite has, in any legal advice.

Any persons choosing to rely on this report for any purpose or in any context other than under GIA11 and GIR14 do so at their own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any liability in respect of this report to any such person.

Please note you should read this report in conjunction with the Joint Administrators' Proposals issued to the Company's Creditors and previous Joint Administrators' progress reports, which can be found at www.pwc.co.uk/elite-insurance. Unless stated otherwise, all amounts in this report and appendices are stated net of VAT.

Edgar Lavarello of PricewaterhouseCoopers Limited Gibraltar and Dan Schwarzmann of PricewaterhouseCoopers LLP UK have been appointed as Joint Administrators by the Supreme Court in Gibraltar to manage the affairs, business, and property of the Company. The Joint Administrators act as agents of the Company only and without personal liability. Edgar Lavarello is authorised to act as an insolvency practitioner by the GFSC in Gibraltar (IP Licence Number FSC 0892 FSA). Dan Schwarzmann is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales in England (IP Licence number 8912). The Joint Administrators are bound by the Insolvency Code of Ethics which can be found at: <https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>

The Company is authorised and regulated by the GFSC. Registered office: c/o PricewaterhouseCoopers Limited, 327 Main St, GX11 1AA, Gibraltar. The Joint Administrators may act as controllers of personal data as defined by UK Data Protection law and/or any applicable Gibraltar or other data protection laws (as applicable), depending upon the specific processing activities undertaken. PwC may act as a data processor on the instructions of the Joint Administrators. Personal data will be kept secure and processed only for matters relating to the Joint Administrators' appointment. Further details are available in the privacy statements on the www.pwc.co.uk and <https://www.pwc.gi/privacy.html> websites or by contacting the Joint Administrators.

PricewaterhouseCoopers Limited is a private limited company registered in Gibraltar with registered number 94799. The registered office of PricewaterhouseCoopers Limited is 327 Main Street, Gibraltar, GX11 1AA. PricewaterhouseCoopers Limited is authorised and regulated by the Gibraltar Financial Services Commission as an audit firm.

PricewaterhouseCoopers LLP is a limited liability partnership registered in England with registered number OC303525. The registered office of PricewaterhouseCoopers LLP is 1 Embankment Place, London WC2N 6RH. PricewaterhouseCoopers LLP is authorised and regulated by the FCA for designated investment business.

Key messages

Why we have sent you this report

This is the sixth progress report by the Joint Administrators of the Company.

Creditors may wish to read this report in conjunction with our Proposals, which continue to be available on the Company Website. The information in that report or previous progress reports is not repeated here unless considered necessary or beneficial for the purposes of this update.

Earlier progress reports can be viewed on the Website.

This report provides an update on the work the Joint Administrators have undertaken, and the progress made since their appointment, with particular focus on the progress made in the Period.

If you have any questions regarding your insurance policy, please use the following contact details:

UK and other: Elite-insurance.uk@quest-group.co.uk or +44 (0) 207 129 8147

France: Elite-insurance.fr@quest-group.com or +44 (0) 207 129 8661

Italy: Elite-insurance.it@quest-group.com or +44 (0) 207 129 8663

Or write to: Elite Insurance Company Limited (in Administration), c/o Quest Consulting, 4th Floor, 52-54 Gracechurch Street, London, EC3V 0EH.

How much Creditors may receive

This is a summary of the possible outcome for Creditors of the Company based on what we currently know. As Elite is a complex case, there are still a few material uncertainties which may cause the current assumptions underpinning the estimates in this document to change. Please read the rest of this document and seek further specific advice where needed.

Secured Creditors

We are not aware of any Secured Creditors.

Preferential Creditors

On the basis that Elite did not have any direct employees at the time of our appointment we do not expect any Preferential Creditors to arise in respect of former employees.

Unsecured Creditors

Creditors are reminded that Direct Insurance Creditors rank ahead of all other Unsecured Creditors except Preferential Creditors by virtue of FSICR. Please note that any agreed damages claims relating to policies of direct insurance disclaimed by the Joint Administrators are classed as Direct Insurance Creditors.

The Joint Administrators remain unable to give a meaningful estimate of the likely outcome for Direct Insurance Creditors. As we outlined in our previous reports, the ultimate outcome will depend on several variable factors where considerable uncertainty exists. Our strategy for the Administration seeks to reduce this uncertainty and maximise the return to Creditors at the earliest possible stage but based on our current view of Elite's financial position, Direct Insurance Creditors are highly unlikely to receive 100 pence in the pound, unless appropriately covered by a relevant compensation scheme. Consequently, other Unsecured Creditors should not expect a dividend. All Creditors should seek to mitigate their losses as much as possible.

As the Administration develops, we will provide Creditors with updates on future distribution prospects.

Progress since we last reported

This section deals with the key activities we have undertaken since our last report.

Run-off management

Operations

Quest remains the initial point of contact for most Elite's claims handling. ACS Solutions, a specialist outsourcer, continues to deal with French construction claims through a few specific coverholders.

During the Period, more than 700 insurance claims were adjusted and closed, with an adjusted value of approximately £1.1m including fees as well as indemnity amounts. We continue to oversee the complaints processes administered by Quest, only dealing directly with customer complaints where necessary. During the Period, 18 new complaints were received, and 19 complaints were resolved.

Portfolio updates

The latest status in respect of Elite's books of business and compensation for eligible policyholders is summarised below.

France

As previously reported, all French construction insurance policies were 'disclaimed', in other words, terminated, by the Joint Administrators in accordance with GIA11 with effect from (and including) 15 September 2020. The FGAO confirmed that beneficiaries of DO policies in effect on or after 1 July 2018 whose claims arose before 15 September 2020 policy will retroactively benefit from the compensation scheme. Further information can be found on the Website.

The Joint Administrators have begun contacting policyholders whose claims were agreed by Elite before 15 September 2020 to progress their claims for payment by the FGAO. During the Period, the FGAO made their first Elite compensation payment. The FGAO provides compensation at 90% for eligible claims brought under the mandatory guarantee of DO policies for damage suffered while the insurance policy was in effect.

The Joint Administrators continue to liaise with the FGAO in respect of Creditors whose claims arose, but were not agreed, before the policies were disclaimed on 15 September 2020. Further updates will be provided in due course.

DO beneficiaries not eligible for FGAO compensation are entitled to bring a disclaimer damages claim against Elite. Claimants are required to mitigate their losses and should continue to seek to progress their claims with their RCD insurer in the first instance.

Greece

Quest continues to liaise with the GAF, who provide compensation to injured parties in respect of bodily injury and/or material damage caused fully or partially by Elite's eligible motor policyholders. A payment process is near completion and submissions are expected to commence in early 2023, although the timing of any payments remains uncertain.

Ireland

We have continued to correspond with the SCA regarding their reasons for concluding that Elite does not qualify to apply for eligible claim payments to be made from the ICF. We will provide an update for Irish policyholders on the Website in due course. Policyholders should continue to submit claims against Elite in the usual way.

Italy

During the Period, an inventory of the policyholder data records received from the main coverholder, Olimpia Agency S.P.A, was created. A review is in process to identify documents to support the pursuit of any potential recoveries. Policyholders should continue to submit claims against Elite in the usual way.

Spain

Claims notifications received for Elite's Spanish branch remain under review as we await responses from issuing coverholders. The Joint Administrators are seeking to recover Elite's records from one of these coverholders to facilitate the handling of these claims. After extensive efforts, the Joint Administrators are now in direct dialogue with the coverholder regarding this matter. Policyholders should continue to submit claims against Elite in the usual way.

UK

Claims continue to be agreed as they arise, with the FSCS providing compensation to eligible claimants at 90%, or 100% for compulsory insurance products, of the claim value. Further information on eligibility can be found on the FSCS website at [fscs.org.uk/making-a-claim/claims-process/eligibility-rules](https://www.fscs.org.uk/making-a-claim/claims-process/eligibility-rules).

During the Period, the FSCS paid £1.5m in respect of 96 eligible claims. This brings the total balance paid by the FSCS to £20.6m in respect of 3,300 claims.

Building Guarantee

During the period, the Joint Administrators continued to progress their claim against the coverholder on this book and the matter has been resolved. Elite continues to pursue its claim against the Coverholders' Appointed Representative in relation to this matter.

Key regulatory updates

Ireland

In accordance with the requirements in Ireland, the annual TRR Reporting Form as at 31 March 2022 was submitted to the Central Bank of Ireland before the 31 July 2022 deadline.

Treasury management

At the end of the Period the Company held funds of £37.0m, €5.5m and NZ\$1.7k with the majority of funds invested in money market deposits. The remaining balances are held in current accounts with Barclays Bank and HSBC to cover ongoing operating costs and business activities.

We continue to monitor rates to ensure that the funds are invested to maximise interest earned whilst remaining in line with the Firm's treasury management policies covering such matters as counterparty credit risk and diversification. During the Period, interest of c.£289k was received.

Asset recoveries

Recoveries and Commutations

We continued work to derive value from certain assets related to the commutation with Elite's major reinsurer. Additional consideration under the commutation may be receivable by Elite and any developments will be reported in future progress reports.

Reinsurance

We continued to liaise with reinsurance brokers and reinsurers in relation to a number of reinsurance arrangements to ensure the ongoing processing and collection of recoveries, and we continued discussions with a number of reinsurers to assess their appetite for seeking early finality in relation to the commutation of certain reinsurance arrangements. These efforts led to total recoveries in the Period of c.£2.2m.

DA ATE disclaimer and RB ATE recoveries

As previously reported, the Joint Administrators disclaimed Elite's ATE business with effect from 11 December 2020 apart from two RB ATE policies. The Joint Administrators continued to pursue recovery of premium due to Elite following settlement of one of the two retained policies.

The second retained RB ATE policy, where Elite has novated its exposure but retains a right to a share of any future premium continues to be monitored. In mid 2022, the High Court ruled in the insured's favour, however, the case is being appealed with a likely Court date in the first quarter of 2023. We continue to liaise with the insurance brokers to keep abreast of developments.

ATE recoveries to date total c.£2.5m.

Subrogated claims and claims fund recoveries

Elite continued to pursue recoveries within European jurisdictions, resulting in recoveries of €53k from the French business, €30k from the Italian business and £2k from the UK business in the Period. This brings total claims recoveries to over €2.6m and £692k to date.

The Joint Administrators continued efforts to recover c.€0.9m held in a French bank account on trust for Elite. The liquidator of the former coverholder has disputed the demand made for a return of the funds. We will be approaching the French court in the first quarter of 2023 to request an order to release these funds to Elite.

General recoveries

We continue to pursue a few other potential asset recoveries in various jurisdictions and will provide updates in future progress reports.

Corporation tax, IPT and VAT

The Joint Administrators continued to liaise with Quest to obtain relevant information required to manage the Company's tax affairs in respect of the pre and post appointment liabilities in all jurisdictions including Gibraltar, France, Italy, and Spain.

We continue to review and submit corporate and IPT tax returns to ensure compliance in all jurisdictions, including associated approval and processing of any resulting tax liability payments. As part of our tax compliance work, we have submitted the post-appointment IPT returns in the UK and post-appointment corporation tax returns in Italy.

The Joint Administrators' tax advisers have completed high-level analysis with respect to the tax implications of the closure of the branches and the winding down of the Company's affairs. Closure processes for some jurisdictions have been agreed and implementation is in progress. We will proceed with the closure of Elite's branches as soon as is practicably possible.

We continue to monitor post-appointment activities in all jurisdictions to ensure that the Company is compliant with the EU mandatory disclosure regime.

Stakeholder engagement

The Joint Administrators continue to keep key stakeholders apprised of progress made in a timely manner and encourage creditors to monitor the Company Website for updates.

Regulatory engagement

The Company remains authorised and regulated to the extent needed for the purposes of the Administration and as such must comply with various regulatory requirements. We continue to engage with the GFSC and cooperate with other regulators as appropriate on the progress of the Administration and regulatory reporting matters that arise.

Creditors' Committee

The Creditors' Committee met on 15 June and 29 November 2022 during which updates were provided on general key case matters, exit plans and potential third-party claims.

The fees sub-committee met on 24 October 2022 where costs for the period 1 January to 30 June 2022 were reviewed and an update on the key focus areas for the remainder of 2022 was provided.

In addition to formal meetings, we continue to engage informally with the Creditors' Committee to discuss key issues.

We are grateful to the members of the Creditors' Committee for their continued engagement and support.

Other information

Communications

The Joint Administrators continue to use the Website as a means of delivering updates to policyholders and Creditors. Unless you advise us that you wish to receive communications by post, the Website will be used as the main method of communication during the Administration. Due to the large number of European policyholders, key parts of the Website are available in French and Italian and we continue to translate key documents into these languages.

The Website is regularly updated with relevant communications, press releases and frequently asked questions. During the Period we received 2,100 Website visits. We continue to respond to queries raised by policyholders and other stakeholders via our dedicated helplines or by email.

Directors' conduct and investigations

During the Period, the Joint Administrators continued discussions and fact finding to understand the events leading up to the Company's administration and any other significant information which relates to them. Please note that we will not be able to publish our findings and work in this area, but we have complied with our duties in accordance with GIA11.

This is part of our normal work and does not necessarily imply any criticism of the directors' actions.

Our receipts and payments account

An account of receipts and payments in the Administration for the Period can be seen in Appendix A.

We consider that all payments which have been made as an expense of the Administration are appropriate and proportionate to the size and complexity of the administration.

Administration expenses

In Appendix B we set out a statement of the expenses we have incurred during the Period. The statement excludes any potential tax liabilities that we may need to pay as an Administration expense in due course, as amounts due will depend on the position at the end of the tax accounting periods in each jurisdiction.

Our fees

An update on our remuneration which covers our fees, disbursements and other related matters in this case is provided in Appendix C. The Joint Administrators continue to draw fees in accordance with the previously reported approved fee resolutions.

What we still need to do and next steps

The Administration of the Company is complex given the wide range of portfolios it underwrote and territories it operated in. Our focus over the next six months will be:

- Ensuring policyholder claims are dealt with appropriately;
- Vigorously pursuing asset and other recoveries of the Company; and
- Considering and progressing with the most appropriate exit mechanism from Administration with a view to maximising the return to Creditors at the earliest possible stage taking into account any tax or further costs implications.

The next report to creditors will be circulated to Creditors in approximately six months' time. If you have any questions, please get in touch by email at uk_elite@pwc.com

Yours faithfully



For and on behalf of the Company
Edgar Lavarello
Joint Administrator

Edgar Lavarello of PricewaterhouseCoopers Limited Gibraltar and Dan Schwarzmann of PricewaterhouseCoopers LLP (together the "Administrators") have been appointed as joint administrators by the Supreme Court in Gibraltar to manage the affairs, business, and property of Elite Insurance Company Limited (the "Company"). The Administrators act as agents of the Company only and without personal liability.

Edgar Lavarello is authorised to act as an insolvency practitioner by the Gibraltar Financial Services Commission in Gibraltar (IP Licence Number FSC 0892 FSA). Dan Schwarzmann is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales in England (IP Licence number 8912). They are bound by the Insolvency Code of Ethics which can be found at: <https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>

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Appendix A: Receipts and payments

	As at 10 December 2022			As at 10 December 2022 Total (GBP equivalent)	Movements from 11 June 2022 to 10 December 2022 (GBP equivalent)	As at 10 June 2022 (GBP equivalent) RESTATED at 10 December 2022 exchange rate	As at 10 June 2022 (GBP equivalent)
	GBP	EUR	NZD				
Receipts (uncharged)							
Cash at bank	12,237,028	5,612,089	0	17,048,490	0	17,048,490	17,025,500
Claim recoveries	692,159	2,617,738	0	2,936,448	72,792	2,863,656	2,853,269
Gross Premium — ATE Premium	2,465,241	4,845	0	2,469,395	6,589	2,462,806	2,462,798
Insurance recoveries	833,806	104,627	0	923,507	76,692	846,815	846,753
Interest	368,133	0	1,738	369,039	289,150	79,889	79,879
Investments and Shares	979,711	17,375	0	994,607	0	994,607	994,536
Reinsurance recoveries	41,907,559	76,328	0	41,972,998	2,180,751	39,792,247	39,791,934
Sundry Debts and Refunds	65,988	5,000	0	70,274	0	70,275	70,254
Tax/Insurance/Other refunds	0	390,583	0	334,861	0	334,862	333,262
Receipts total	59,549,625	8,828,585	1,738	67,119,619	2,625,974	64,493,647	64,458,185
Payments							
Bank charges	24,200	8,668	0	31,631	696	30,936	30,904
Claims handling expenses	608,542	1,349,425	0	1,765,456	206,491	1,558,965	1,554,195
Irrecoverable VAT	914,332	11,201	0	923,934	86,998	836,936	836,890
Legal fees and expenses	5,658,276	1,180,813	0	6,670,632	945,899	5,724,734	5,720,210
Office holders' expenses	8,483	0	0	8,483	0	8,483	8,483
Office holders' fees	10,891,903	0	0	10,891,903	641,771	10,250,131	10,250,131
Pre-administration Office holder's expenses	2,225	0	0	2,225	0	2,225	2,225
Pre-administration Office holder's fees	282,910	0	0	282,910	0	282,910	282,910
Printing, stationery, and postage	197,350	25,151	0	218,913	8,676	210,237	210,147
Professional fees	60,195	293,638	0	311,942	72,970	238,973	238,044
Run-off services	3,525,348	0	0	3,525,348	519,786	3,005,561	3,005,561
Statutory advertising	65,419	0	0	65,419	0	65,419	65,419
Storage costs	6,031	49,569	0	48,528	36,528	12,000	11,966
Taxation costs	283,556	391,574	0	619,268	522	618,746	617,143
Payments total	22,528,768	3,310,039	0	25,366,592	2,520,337	22,846,257	22,834,228
NET POSITION	37,020,857	5,518,546	1,738	41,753,027	105,637	41,647,390	41,623,957

Made up as follows	GBP	EUR	NZD	As at 10 December 2022 Total GBP equivalent	Exchange rates - (Bank of England)
Barclays UK	196,440	5,518,546	1,738	4,928,610	10 December 2022 £1 to EUR 1.1664
HSBC UK (interest bearing)	6,239			6,239	10 June 2022 £1 to EUR 1.1720
Money Market Deposits (interest bearing)	36,818,178			36,818,179	10 December 2022 £1 to NZD 1.9187
	37,020,857	5,518,546	1,738	41,753,027	10 June 2022 £1 to NZD 1.9397

Appendix B: Expenses

The following table provides details of our expenses. Expenses are amounts properly payable by us as Joint Administrators from the estate and includes our fees but excludes distributions to Creditors. The table also excludes future potential tax liabilities that we may need to pay as an Administration expense because amounts becoming due will depend on the position at the end of the tax accounting period. The table should be read in conjunction with the receipts and payments account at Appendix A, which shows expenses actually paid during the Period and the total paid to date.

Nature of expenses	GBP	EUR
	Incurring in the Period (£)	Incurring in the Period (€)
Bank charges	0	863
Claims handling expenses	49,412	184,899
Irrecoverable VAT	86,997	0
Legal fees and expenses	842,260	127,557
Office holders' fees	1,914,456*	0
Office holders' disbursements	1,491	0
Printing, stationery, and postage	5,910	3,226
Professional fees	15,510	55,750
Run-off services	628,786	0
Storage Costs	1,063	41,519
Taxation costs	351	200
Total expenses	3,546,236	414,014

*This represents 100% of fees.

Appendix C: Remuneration update

On 23 October 2020 the Creditors' Committee approved resolutions authorising the Joint Administrators to draw remuneration as detailed in previous reports. During the Period, fees of £598k were billed and paid covering 1 April 2022 to 30 June 2022 at 75% of Elite rates. Deferred fees for the Period total £479k. This brings the total deferred fees since the start of the Administration to £4.1m.

Our hours and average rates

Fees incurred since the start of the Administration total £16.2m (including deferred fees), at hourly rates agreed with the fees sub-committee, which represent a discount on normal PwC rates, but incorporates fees written off and not billed totalling £323k.

The time cost charges incurred in the Period total £1.9m. This is 3,238 hours at an average hourly rate of £591.

The table below shows a breakdown of this.

	Period Total									Total from 11 December 2019 to 10 June 2022	
	Partner	Director	Senior Manager	Manager	Senior Associate	Associate/ Other	Hours	Total Cost (£)	Average hourly rate (£)	Hours	Total Cost (£)
Accounting & Treasury	483	1,050	20,061	17,923	43,079	52,212	302	134,808	447	2,359	887,241
Assets	3,185	7,182	54,323	-	3,392	845	99	68,927	694	5,184	2,628,250
Claims	47,369	99,828	307,093	7,066	167,491	34,177	1,063	663,024	624	3,144	1,789,421
Closure Procedures	12,445	16,118	41,442	210	3,087	1,590	103	74,892	728	282	195,901
Creditors	5,112	1,225	18,718	1,484	4,331	6,982	85	37,852	446	1,699	577,566
Run-off management	12,250	3,367	21,604	-	50,356	396	149	87,973	589	7,220	3,875,391
Statutory & compliance	8,873	21,091	67,902	1,362	66,382	29,207	383	194,817	509	3,830	1,879,030
Strategy & planning	23,571	57,473	131,846	4,055	73,387	55,102	625	345,434	553	4,708	2,714,210
Tax & VAT	38,982	35,325	114,289	75,118	30,181	12,833	429	306,728	715	3,070	2,010,797
Total for the Period	152,270	242,660	777,278	107,218	441,686	193,344	3,238	1,914,455	591	31,496	16,557,807
Fees incurred and written off											(323,148)
Total fees*											16,234,659

*These represent 100% of fees.

Our time charging policy and hourly rates

We and our team charge our time for the work we need to do in the Administration. We delegate tasks to suitable grades of staff, considering their experience and any specialist knowledge that is needed, and we supervise them properly to maximise the cost effectiveness of the work done. Anything complex or important matters of exceptional responsibility are handled by our senior staff or us.

All our staff who work on the Administration (including our cashiers) charge time directly to the case and are included in any analysis of time charged. Each grade of staff has an hourly charge out rate which is reviewed from time to time. Work carried out by our support and secretarial staff is charged separately and is not included in the hourly rates charged by partners or other staff members. Time is charged in six-minute units in the UK and 15-minute units in Gibraltar. We do not charge general or overhead costs.

In common with many professional firms, our scale rates have increased to cover inflationary cost increases. All increases are subject to agreement by the fee sub-committee. Updated hourly rates were agreed with the fee sub-committee with effect from 1 July 2022 until 30 June 2023.

We set out below the maximum charge-out rates per hour for the grades of our staff. The Joint Administrators' core team is made up of both UK and Gibraltar staff. Where the Joint Administrators draw on the expertise of specialists within the firm such as actuarial and tax experts, bespoke rates apply.

1 June 2022 - 30 June 2022*			
Grade	Rate - UK, £/hour	Rate - Gibraltar, £/hour	UK Bespoke Rate, £/hour (maximum)
Partner	965	796	1,613
Director	849	637	1,393
Senior Manager	641	440	1,369
Manager	557	350	822
Senior Associate	462	212	610
Associate	286	106	302
Other	149	N/a	180
Offshore professionals	223	N/a	223

From 1 July 2022*			
Grade	Rate - UK, £/hour	Rate - Gibraltar, £/hour	UK Bespoke Rate, £/hour (maximum)
Partner	980	875	1,687
Director	898	700	1,487
Senior Manager	706	484	1,137
Manager	613	385	882
Senior Associate	495	220	639
Associate	307	110	319
Other	149	n/a	189

*These are our agreed rates at 100%, with 25% remaining at the discretion of the Committee in line with approved resolutions.

Our work in the Period

Whilst this is not an exhaustive list, in the following table we provide more detail on the key areas of work:

Area of work	Work undertaken	Why the work was necessary	What, if any, financial benefit the work provided to Creditors OR whether it was required by statute
Accounting and Treasury	<ul style="list-style-type: none"> Processing all incoming funds via the Administrators' accounting system to ensure consistency of coding and clarity of reporting. Preparing and updating cash flow reporting. Processing payments, including review and approval by senior case staff. Producing and reviewing monthly bank reconciliations. Cash management using multiple bank accounts and money market deposits. 	To manage the Company's bank accounts	<p>Ensures proper management of the funds held</p> <p>Maximise interest received and minimise interest paid commensurate with appropriate risk tolerances</p>
Assets	<ul style="list-style-type: none"> Pursuing recoveries including reinsurance recoveries, premiums, claims funds and other assets. Investigating the position and potential outcome of recovery from debtors in insolvency procedures. Negotiating with debtors. Reviewing the position of assets pending assignment subject to the major commutation. Continued discussions and fact finding to understand the events leading up to the Company's administration to pursue any potential recoveries. 	To ensure returns to the Creditors are maximised	Realise funds for the benefit of Creditors
Claims	<ul style="list-style-type: none"> Leading negotiations for several large value claims. Ensuring claims are agreed efficiently and at an appropriate value. Progression of French DO claims that were agreed by Elite before the policies were disclaimed on 15 September 2020 for payment by the FGAO. Continued dialogue with the FGAO in respect of Creditors whose DO claims arose, but were not agreed, before the policies were disclaimed. Consideration of the position regarding sanctions screening of payments to be made by overseas compensation funds and creation of relevant protocols. Ongoing review of further policyholder data received from a major Italian coverholder. Dealing with complaints escalated to the Joint Administrators. Re-negotiation and execution of French claims handling contracts with ACS. Negotiation and ongoing review/updates to supplier contracts. Claims audit performed covering the period June 2021 to September 2022. The results are currently being compiled. 	To ensure returns to the Creditors are maximised	Maximising funds for the benefit of Creditors

Closure	<ul style="list-style-type: none"> Meetings with legal, actuarial and tax advisors, and key stakeholders to consider implications of different strategic and exit options from Administration. Exploring the possible implementation of a Scheme of Arrangement. Liaison with the FSCS in relation to the strategy for UK protected policyholders. 	To ensure claimants are treated fairly and in line with best practice	Required by statute, ensures all administration matters have been dealt with
Creditors	<ul style="list-style-type: none"> Liaising with Creditors and policyholders in various European jurisdictions regarding individual queries. Providing timely Website updates. 	To keep the Creditors informed	Work done in anticipation of returning funds to Creditors
Run-off management supervision	<ul style="list-style-type: none"> Regular meetings with Quest to discuss key issues, budgets, operational matters. Monitoring and providing feedback on performance and management information supplied. Regular meetings and discussions with members of the Quest claims handling team. Review and agree costs and budget including supporting evidence. provided by the Run-off Manager. 	To ensure claimants are treated fairly and in line with best practice	Ensuring service levels are maintained for Elite policyholders
Statutory and compliance	<ul style="list-style-type: none"> Officeholder oversight. Conducting case reviews every six months. Reviewing Company books and records. Managing internal case, filing, and accounting systems. Maintaining our records, preparing file notes, filing relevant letters, emails and supporting documentation. Compliance activities such as Anti Money Laundering checks, sanctions screening and information handling protocol. Preparing for and attending meetings with the Creditors' Committee and the Fee subcommittee. Preparing and issuing all statutory documents, notices and reports as required. Liaising with the relevant regulators and third-party stakeholders, including the Creditors' Committee and observers. 	To comply with statutory obligations	Required by statute / regulation
Strategy and planning	<ul style="list-style-type: none"> Refining strategy and progress toward the objectives of the Administration, an indicative timeline, and key milestones. Evaluating strategic options to be implemented to achieve the objectives of the Administration. Discussions with third parties to assess the Company's affairs including the events and circumstances leading up to the Company's administration. 	To ensure case progression and monitor costs	Ensures orderly progression of case and cost management
Tax and VAT	<ul style="list-style-type: none"> Ongoing work to understand post appointment liabilities in various jurisdictions. Ongoing work with several specialists to best understand the tax residency of the Company. Continued investigation into potential tax related recoveries in different European jurisdictions. 	To comply with statutory obligations	Required by statute and ensures the appropriate payment of corporation and other taxes, for the benefit of Creditors

- Ongoing consideration of tax compliance matters in all territories the Company operated in.
- Submission of various tax returns in the UK and Italy.

Our future work

We still need to do the following work to achieve the purpose of the Administration.

Area of work	Our Future work	What, if any, financial benefit the work provided to Creditors OR whether it is required by statute
Accounting and treasury	<ul style="list-style-type: none"> • Bank reconciliations. • Cash management. • Currency hedging analysis. • Accounting for payments and receipts into the case bank accounts. • Processing payments. • Dealing with unbanked dividend cheques. 	Ensures proper management of the funds held
Assets	<ul style="list-style-type: none"> • Managing the remaining two active cases under the RB ATE and DA ATE businesses. • Analysing Company records and pursuing recoveries including reinsurance recoveries, premiums, claims funds and other assets. • Corresponding with reinsurance debtors and Quest regarding settlements following case by case cost benefit analysis. • Resolving the position on assets pending assignment subject to the major commutation. • Engage with the CBLI Liquidator in relation to recovery of deferred consideration subject to the Commutation. 	Realise funds for the benefit of Creditors
Claims	<ul style="list-style-type: none"> • Ensuring claims are agreed efficiently and at an appropriate value. • Reviewing and responding to referrals from Quest/ACS claims handlers and approving actions with respect to large value, litigated claims or claims recoveries from third parties. • Continuing to negotiate large value claims. • Ongoing management of claims following the disclaimers of various books of business. • Reviewing payments and supporting evidence in relation to FSCS eligible policyholders. • Liaising with the FGAO regarding compensation for Elite's French DO policyholders and ongoing submission of Accrued Liabilities for payment. • Ongoing correspondence with the SCA regarding the reasons for their decision that Elite does not qualify to apply for payments to be made from the ICF. • Submission of claims from eligible Greek policyholders to the GAF. • Overseeing complaints handling. • Adjudication of claims. • Manage all supplier contracts. • Analysis and learnings from the June 2021 to September 2022 claims audit. • Regular claims audits to be undertaken. 	Maximising funds for the benefit of Creditors
Closure	<ul style="list-style-type: none"> • Development and implementation of the plan and timeline for an exit from Administration. • Finalise and implement the agreed strategy with the FSCS for UK protected policyholders. • Establish and implement an effective claims handling and valuation system. 	Required by statute, ensures all administration matters have been dealt with

	<ul style="list-style-type: none"> • Liaise with the Gibraltar Court and GFSC to ensure compliance during exiting an Administration. • Obtaining clearances for closure. • Closure procedures. • Winding down the Company's affairs generally. 	
Creditors	<ul style="list-style-type: none"> • Liaising with Creditors. • Responding to queries from Direct Insurance Creditors. • Maintaining an estimated outcome statement. • Preparation and payment of dividends. 	Work done in anticipation of returning funds to Creditors
Run-off management supervision	<ul style="list-style-type: none"> • Monitoring Quest performance against budget. • Quarterly meetings to discuss performance and Management Information. • Maintain operating protocols. • Negotiation of a further run-off management agreement and other claims handling agreements ahead of their expiries. 	Ensuring service levels are maintained for Elite policyholders
Statutory and compliance	<ul style="list-style-type: none"> • Complying with statutory filing requirements. • Preparing and circulating six monthly progress reports to Creditors. • Ongoing regular communications with the Creditors' Committee and fees sub-committee. • Ongoing communications with key stakeholders. 	Required by statute / regulation
Strategy and planning	<ul style="list-style-type: none"> • Continue to investigate suitable strategies for the remaining books of business. • Ongoing contract negotiations with suppliers in several jurisdictions. • Continuing correspondence with various third parties to assess the Company's affairs including the events and circumstances leading up to the Company's administration and determine whether any further actions are required. 	Ensures orderly progression of case and cost management
Tax and VAT	<ul style="list-style-type: none"> • Completing tax returns. • Obtaining tax clearance from the appropriate tax authorities. • Pursuing tax recoveries. 	Required by statute and ensures the appropriate payment of corporation and other taxes, for the benefit of Creditors

Payments to associates

We have instructed the following professionals on this case due to their jurisdictional tax and regulatory expertise and for efficiency purposes. The amounts shown were incurred in the Period.

Service provided	Name of firm / organisation	Jurisdiction	Basis of fees	Amount incurred
Professional Services	PricewaterhouseCoopers Advisory SpA	Italy	Time costs and disbursements	€15,090
Tax and Regulatory	PricewaterhouseCoopers Tax & Legal Services, S.L.	Spain	Time costs and disbursements	€57,353
Professional Services	PwC Legal UK	UK	Time costs and disbursements	£12,266

As required with all third-party professionals, submission of time costs analyses and narrative, or a schedule of realisations achieved dependent on their fee basis, is supplied in support of invoices rendered. All invoices are reviewed before being approved for payment. We are satisfied that the level of costs is appropriate.

Disbursements

Disbursements are costs paid by the Joint Administrators and may include an element of shared or allocated costs.

Disbursements totalling £1,491 were incurred in the Period relating to travel expenses, Gibraltar companies house information, postage, and storage.

Our relationships

Other than as previously disclosed, we have no business or personal relationships with the parties who approve our fees or who provide services to the Administration where the relationship could give rise to a conflict of interest.

Legal and other professional firms

In addition to the associates previously mentioned, we have instructed the following professionals on this case:

Service provided	Name of firm / organisation	Reason selected	Basis of fees
<ul style="list-style-type: none">Legal services, including:<ul style="list-style-type: none">Assistance when dealing with and concluding claimsCosts incurred when recovering money in relation to claims	<ul style="list-style-type: none">A and L GoodbodyBryan Cave Leighton Paisner LLPClifford Chance LLPCMS Adonnino Ascoli & Cavasola ScamoniDa Ros AssociatesDWF Rousaud Costas Duran AbogadosFreshfields Bruckhaus Deringer LLPJean-Baptiste MeyrierKennedys Law LLPKiejman & MarembertMaitre Melina PedrolettiMaitre Zuelgaray HerveSCP L. Poulet-OdentUnalome Legal Sarl	<ul style="list-style-type: none">Industry knowledgeInsolvency expertiseJurisdictional expertise	<ul style="list-style-type: none">Time costs and disbursements
<ul style="list-style-type: none">Agent/Claims handling	<ul style="list-style-type: none">ACS SolutionsCharles Taylor General AdjustingCrawford & Company Legal Services LtdMarley Risk ConsultantsQuest Consulting (London) LimitedWoodgate and Clark Limited	<ul style="list-style-type: none">Policyholder knowledgeClaims handling experience	<ul style="list-style-type: none">Time costs and disbursements

We require all third-party professionals to submit time costs analyses and narrative or a schedule of realisations achieved, dependent on their fee basis, in support of invoices rendered. All invoices are reviewed before being approved for payment. We are satisfied that the level of legal and professional costs is appropriate.

Appendix D: Other information

Court details for the Administration:	The Supreme Court of Gibraltar Case number: 2019/COMP/002
Full and trading name:	Elite Insurance Company Limited
Registered number:	91111
Registered address:	327 Main Street, GX11 1AA, Gibraltar
Date of the Administration appointment:	11 December 2019
Joint Administrators' names and addresses:	Edgar Charles Andrew Lavarello of PricewaterhouseCoopers Limited, 327 Main Street, Gibraltar and Dan Yoram Schwarzmann of PricewaterhouseCoopers LLP, 1 Embankment Place, London, WC2N 6RH UK
Website:	www.pwc.co.uk/elite-insurance
Objective being pursued by the Joint Administrators:	Objective b — achieving a better result for the company's Creditors as a whole than would be likely if the company were wound up (without first being in administration)
Division of the Joint Administrators' responsibilities:	In relation to the powers set out in schedule 1 of GIA11, during the period for which the Administration is in force, any function to be exercised by the persons appointed to act as Administrators may be done by any or all of the persons appointed or any of the persons for the time being holding that office
Regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015 on Insolvency Proceedings (recast):	The EC Insolvency Regulation does not apply



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