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## STATUTORY INSTRUMENTS

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# 2004 No. 353

## INSOLVENCY COMPANIES

### The Insurers (Reorganisation and Winding Up) Regulations 2004

<i>Made</i>	- - - -	<i>12th February 2004</i>
<i>Laid before Parliament</i>		<i>12th February 2004</i>
<i>Coming into force</i>	- -	<i>18th February 2004</i>

The Treasury, being a government department designated <sup>M1</sup> for the purposes of section 2 (2) of the European Communities Act 1972 <sup>M2</sup> in relation to the insolvency of insurers, in exercise of the powers conferred by that section, hereby make the following Regulations:

#### Modifications etc. (not altering text)

- C1** Regulations modified by [The Co-operative and Community Benefit Societies and Credit Unions \(Arrangements, Reconstructions and Administration\) Order 2014 \(S.I. 2014/229\)](#), **Sch. 5 para. 1A** (as inserted (1.8.2014) by [S.I. 2014/1822](#), arts. 1(2), **8(a)**)
- C2** Regulations applied (with modifications) (31.12.2020) by [The Gibraltar \(Miscellaneous Amendments\) \(EU Exit\) Regulations 2019 \(S.I. 2019/680\)](#), regs. 1(2), 2, **Sch. 1** (as amended by [S.I. 2020/1301](#), regs. 1, 3, **Sch. para. 40(g)(ii)**) and [S.I. 2020/1385](#), regs. 1(4), **60(3)**); 2020 c. 1, **Sch. 5 para. 1(1)**
- C3** Regulations: power to modify conferred (11.7.2023) by [Financial Services and Markets Act 2023 \(c. 29\)](#), ss. 3, 86(3), **Sch. 1 Pt. 2**; [S.I. 2023/779](#), reg. 2(d)

#### Marginal Citations

- M1** [S.I. 2002/2840](#).
- M2** 1972 c. 68; by virtue of the amendment of section 1(2) made by section 1 of the [European Economic Area Act 1993 \(c. 51\)](#) regulations may be made under section 2(2) to implement obligations of the United Kingdom created or arising by or under the Agreement on the European Economic Area signed at Oporto on 2nd May 1992 (Cm 2073) and the Protocol adjusting the Agreement signed at Brussels on 17th March 1993 (Cm 2183). Section 57(1) of the [Scotland Act 1998 \(c. 46\)](#) provides that despite the transfer to the Scottish Ministers of functions in relation to observing and implementing obligations under Community law, any function of a Minister of the Crown shall continue to be exercisable by him as regards Scotland for the purposes specified in section 2(2) of the European Communities Act 1972.

**Changes to legislation:** *The Insurers (Reorganisation and Winding Up) Regulations 2004 is up to date with all changes known to be in force on or before 08 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

# PART I

## GENERAL

### Citation and Commencement

1. These Regulations may be cited as the Insurers (Reorganisation and Winding Up) Regulations 2004, and come into force on 18th February 2004.

### Interpretation

2.—(1) In these Regulations—

F1 .....

“the 1986 Act” means the Insolvency Act 1986<sup>M3</sup>;

“the 2000 Act” means the Financial Services and Markets Act 2000<sup>M4</sup>;

[<sup>F2</sup>“the 2006 Act” means the Companies Act 2006;]

“the 1989 Order” means the Insolvency (Northern Ireland) Order 1989<sup>M5</sup>;

“administrator” has the meaning given by paragraph 13 of Schedule B1<sup>F3</sup>, or by paragraph 14 of Schedule B1 to the 1989 Order;

F4 .....

F5 .....

F6 ...

“claim” means a claim submitted by a creditor of a UK insurer in the course of—

- (a) a winding up,
- (b) an administration, or
- (c) a voluntary arrangement,

with a view to recovering his debt in whole or in part, and includes [<sup>F7</sup>a proof within the meaning given in rule 1.2 of the Insolvency Rules, a proof of debt within the meaning given in Rule 4.079(4) of the Insolvency Rules (Northern Ireland) or in Scotland a claim made in accordance with rule 7.16 of the Insolvency (Scotland) (Receivership and Winding up) Rules 2018 (in relation to a winding up) or rule 3.105 of the Insolvency (Scotland) (Company Voluntary Arrangements and Administration) Rules 2018 (in relation to an administration)];

F8 .....

“creditors' voluntary winding up” has the meaning given by section 90 of the 1986 Act or Article 76 of the 1989 Order;

“debt”—

- (a) in England and Wales and Northern Ireland—
  - (i) in relation to a winding up or administration of a UK insurer, has the meaning given by [<sup>F9</sup>rule 14.1(3)] of the Insolvency Rules or Article 5 of the 1989 Order, and
  - (ii) [<sup>F10</sup>in a case where a voluntary arrangement has effect in relation to a UK insurer, means a debt which would constitute a debt in relation to the winding up (not immediately preceded by an administration) of that insurer, except that in paragraph (c) of the definition of “relevant date” in rule 14.1(3) of the Insolvency Rules and in paragraph (1A) of Article 5 of the 1989 Order the reference to the date

on which the company went into liquidation has effect as a reference to the date on which the voluntary arrangement had effect;]

(b) in Scotland—

(i) [<sup>F11</sup>in relation to a winding up of a UK insurer, shall be interpreted in accordance with rule 7.22 of the Insolvency (Scotland) (Receivership and Winding up) Rules 2018, and, in relation to an administration of a UK insurer, has the meaning given in rule 1.2 of the Insolvency (Scotland) (Company Voluntary Arrangements and Administration) Rules 2018,]

(ii) [<sup>F12</sup>in a case where a voluntary arrangement has effect in relation to a UK insurer, means a debt which would constitute a debt in relation to the winding up (not immediately preceded by an administration) of that insurer, except that references in rule 7.22 of the Insolvency (Scotland) (Receivership and Winding up) Rules 2018 to the date on which the company went into liquidation have effect as a reference to the date on which the voluntary arrangement had effect;]

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[<sup>F19</sup>“the FCA” means the Financial Conduct Authority;]

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F21  
...

[<sup>F22</sup>“the Insolvency Rules” means the Insolvency (England and Wales) Rules 2016;]

“the Insolvency Rules (Northern Ireland)” means the Insolvency Rules (Northern Ireland) 1991  
M6,

F23  
.....

“insurance claim” means any claim in relation to an insurance debt;

“insurance creditor” means a person who has an insurance claim against a UK insurer (whether or not he has claims other than insurance claims against that insurer);

“insurance debt” means a debt to which a UK insurer is, or may become liable, pursuant to a contract of insurance, to a policyholder or to any person who has a direct right of action against that insurer, and includes any premium paid in connection with a contract of insurance (whether or not that contract was concluded) which the insurer is liable to refund;

F24  
.....

“officer”, in relation to a company, has the meaning given by [<sup>F25</sup>section 1173(1) of the Companies Act 2006];

F26  
...

“policyholder” has the meaning given by the Financial Services and Markets Act 2000 (Meaning of “Policy” and “Policyholder”) Order 2001 <sup>M7</sup>;

[<sup>F19</sup>“the PRA” means the Prudential Regulation Authority;

“PRA-authorized person” has the meaning given in section 2B of the 2000 Act;]

**Changes to legislation:** *The Insurers (Reorganisation and Winding Up) Regulations 2004 is up to date with all changes known to be in force on or before 08 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

[<sup>F27</sup>“registered society” means a society, other than a society registered as a credit union, which is—

- (a) a registered society within the meaning given by section 1(1) of the Co-operative and Community Benefit Societies Act 2014; or
- (b) a society registered or deemed to be registered under the Industrial and Provident Societies Act (Northern Ireland) 1969;]

<sup>F28</sup> .....

“Schedule B1” means Schedule B1 to the 1986 Act as inserted by section 248 of the Enterprise Act 2002<sup>M8</sup>[<sup>F29</sup>, unless specified otherwise];

[<sup>F30</sup>section 899 compromise or arrangement” means a compromise or arrangement sanctioned by the court in relation to a UK insurer under section 899 of the 2006 Act but does not include a compromise or arrangement falling within section 900 (powers of court to facilitate reconstruction or amalgamation) or Part 27 (mergers and divisions of public companies) of that Act;]

<sup>F31</sup> .....

<sup>F32</sup> ...

“supervisor” has the meaning given by section 7 of the 1986 Act or Article 20 of the 1989 Order;

<sup>F33</sup> .....

“UK insurer” means a person who has permission under Part IV of the 2000 Act to effect or carry out contracts of insurance, but does not include a person who, in accordance with that permission, carries on that activity exclusively in relation to reinsurance contracts;

“voluntary arrangement” means a voluntary arrangement which has effect in relation to a UK insurer in accordance with section 4A of the 1986 Act or Article 17A of the 1989 Order; and

“winding up” means—

- (a) winding up by the court, or
- (b) a creditors' voluntary winding up.

<sup>F34</sup>(2) .....

(3) In these Regulations, references to the general law of insolvency of the United Kingdom include references to every provision made by or under the 1986 Act or the 1989 Order; and in relation to friendly societies or to [<sup>F35</sup>registered societies] references to the law of insolvency or to any provision of the 1986 Act or the 1989 Order are to that law as modified by the Friendly Societies Act 1992<sup>M9</sup> or by [<sup>F36</sup>the Co-operative and Community Benefit Societies Act 2014] or the Industrial and Provident Societies Act (Northern Ireland) 1969<sup>M10</sup> (as the case may be).

(4) References in these Regulations to a “contract of insurance” must be read with—

- (a) section 22 of the 2000 Act;
- (b) any relevant order made under that section; and
- (c) Schedule 2 to that Act,

but for the purposes of these Regulations a contract of insurance does not include a reinsurance contract.

(5) Functions imposed or falling on the [<sup>F37</sup>FCA or the PRA] by or under these Regulations shall be deemed to be functions under the 2000 Act.

## Textual Amendments

- F1** Words in reg. 2(1) omitted (12.5.2011) by virtue of The Companies Act 2006 (Consequential Amendments and Transitional Provisions) Order 2011 (S.I. 2011/1265), arts. 1(2), **23(2)(a)**
- F2** Words in reg. 2(1) inserted (12.5.2011) by The Companies Act 2006 (Consequential Amendments and Transitional Provisions) Order 2011 (S.I. 2011/1265), arts. 1(2), **23(2)(b)**
- F3** Words in reg. 2(1) added (6.4.2007) by The Insurers (Reorganisation and Winding Up) (Amendment) Regulations 2007 (S.I. 2007/851), regs. 1, **2(2)(a)**
- F4** Words in reg. 2(1) omitted (12.5.2011) by virtue of The Companies Act 2006 (Consequential Amendments and Transitional Provisions) Order 2011 (S.I. 2011/1265), arts. 1(2), **23(2)(c)**
- F5** Words in reg. 2(1) omitted (1.4.2013) by virtue of The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 88(a)(i)**
- F6** Words in reg. 2(1) omitted (31.12.2020) by virtue of The Credit Institutions and Insurance Undertakings Reorganisation and Winding Up (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/38), regs. 1(3), **2(2)(a)(i)** (with Pt. 3 Ch. 2) (as amended by S.I. 2020/1301, reg. 3, Sch. para. 13(g)(h)); 2020 c. 1, Sch. 5 para. 1(1)
- F7** Words in reg. 2(1) substituted (23.4.2019) by The Financial Services and Markets (Insolvency) (Amendment of Miscellaneous Enactments) Regulations 2019 (S.I. 2019/755), regs. 1, **4(2)(a)**
- F8** Words in reg. 2(1) omitted (12.5.2011) by virtue of The Companies Act 2006 (Consequential Amendments and Transitional Provisions) Order 2011 (S.I. 2011/1265), arts. 1(2), **23(2)(d)**
- F9** Words in reg. 2(1) substituted (23.4.2019) by The Financial Services and Markets (Insolvency) (Amendment of Miscellaneous Enactments) Regulations 2019 (S.I. 2019/755), regs. 1, **4(2)(b)(i)**
- F10** Words in reg. 2(1) substituted (23.4.2019) by The Financial Services and Markets (Insolvency) (Amendment of Miscellaneous Enactments) Regulations 2019 (S.I. 2019/755), regs. 1, **4(2)(b)(ii)**
- F11** Reg. 2(1) substituted (23.4.2019) by The Financial Services and Markets (Insolvency) (Amendment of Miscellaneous Enactments) Regulations 2019 (S.I. 2019/755), regs. 1, **4(2)(b)(iii)**
- F12** Reg. 2(1) substituted (23.4.2019) by The Financial Services and Markets (Insolvency) (Amendment of Miscellaneous Enactments) Regulations 2019 (S.I. 2019/755), regs. 1, **4(2)(b)(iv)**
- F13** Words in reg. 2(1) omitted (31.12.2020) by virtue of The Credit Institutions and Insurance Undertakings Reorganisation and Winding Up (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/38), regs. 1(3), **2(2)(a)(ii)** (with Pt. 3 Ch. 2) (as amended by S.I. 2020/1301, reg. 3, Sch. para. 13(g)(h)); 2020 c. 1, Sch. 5 para. 1(1)
- F14** Words in reg. 2(1) omitted (31.12.2020) by virtue of The Credit Institutions and Insurance Undertakings Reorganisation and Winding Up (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/38), regs. 1(3), **2(2)(a)(iii)** (with Pt. 3 Ch. 2) (as amended by S.I. 2020/1301, reg. 3, Sch. para. 13(g)(h)); 2020 c. 1, Sch. 5 para. 1(1)
- F15** Words in reg. 2(1) omitted (31.12.2020) by virtue of The Credit Institutions and Insurance Undertakings Reorganisation and Winding Up (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/38), regs. 1(3), **2(2)(a)(iv)** (with Pt. 3 Ch. 2) (as amended by S.I. 2020/1301, reg. 3, Sch. para. 13(g)(h)); 2020 c. 1, Sch. 5 para. 1(1)
- F16** Words in reg. 2(1) omitted (31.12.2020) by virtue of The Credit Institutions and Insurance Undertakings Reorganisation and Winding Up (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/38), regs. 1(3), **2(2)(a)(v)** (with Pt. 3 Ch. 2) (as amended by S.I. 2020/1301, reg. 3, Sch. para. 13(g)(h)); 2020 c. 1, Sch. 5 para. 1(1)
- F17** Words in reg. 2(1) omitted (31.12.2020) by virtue of The Credit Institutions and Insurance Undertakings Reorganisation and Winding Up (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/38), regs. 1(3), **2(2)(a)(vi)** (with Pt. 3 Ch. 2) (as amended by S.I. 2020/1301, reg. 3, Sch. para. 13(g)(h)); 2020 c. 1, Sch. 5 para. 1(1)
- F18** Words in reg. 2(1) omitted (31.12.2020) by virtue of The Credit Institutions and Insurance Undertakings Reorganisation and Winding Up (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/38), regs. 1(3), **2(2)(a)(vii)** (with Pt. 3 Ch. 2) (as amended by S.I. 2020/1301, reg. 3, Sch. para. 13(g)(h)); 2020 c. 1, Sch. 5 para. 1(1)

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- F19** Words in reg. 2(1) inserted (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 88(a)(ii)**
- F20** Words in reg. 2(1) omitted (1.1.2016) by virtue of The Solvency 2 Regulations 2015 (S.I. 2015/575), reg. 1(2), **Sch. 2 para. 17(2)(a)(i)**
- F21** Words in reg. 2(1) omitted (31.12.2020) by virtue of The Credit Institutions and Insurance Undertakings Reorganisation and Winding Up (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/38), regs. 1(3), **2(2)(a)(viii)** (with Pt. 3 Ch. 2) (as amended by S.I. 2020/1301, reg. 3, Sch. para. 13(g)(h)); 2020 c. 1, Sch. 5 para. 1(1)
- F22** Words in reg. 2(1) substituted (23.4.2019) by The Financial Services and Markets (Insolvency) (Amendment of Miscellaneous Enactments) Regulations 2019 (S.I. 2019/755), regs. 1, **4(2)(c)**
- F23** Words in reg. 2(1) omitted (23.4.2019) by virtue of The Financial Services and Markets (Insolvency) (Amendment of Miscellaneous Enactments) Regulations 2019 (S.I. 2019/755), regs. 1, **4(2)(d)**
- F24** Words in reg. 2(1) omitted (1.1.2016) by virtue of The Solvency 2 Regulations 2015 (S.I. 2015/575), reg. 1(2), **Sch. 2 para. 17(2)(a)(ii)**
- F25** Words in reg. 2(1) substituted (12.5.2011) by The Companies Act 2006 (Consequential Amendments and Transitional Provisions) Order 2011 (S.I. 2011/1265), arts. 1(2), **23(2)(e)**
- F26** Words in reg. 2(1) omitted (31.12.2020) by virtue of The Credit Institutions and Insurance Undertakings Reorganisation and Winding Up (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/38), regs. 1(3), **2(2)(a)(ix)** (with Pt. 3 Ch. 2) (as amended by S.I. 2020/1301, reg. 3, Sch. para. 13(g)(h)); 2020 c. 1, Sch. 5 para. 1(1)
- F27** Words in reg. 2(1) inserted (1.8.2014) by The Co-operative and Community Benefit Societies and Credit Unions Act 2010 (Consequential Amendments) Regulations 2014 (S.I. 2014/1815), reg. 1(2), **Sch. para. 12(2)(a)**
- F28** Words in reg. 2(1) omitted (1.1.2016) by virtue of The Solvency 2 Regulations 2015 (S.I. 2015/575), reg. 1(2), **Sch. 2 para. 17(2)(a)(iii)**
- F29** Words in reg. 2(1) added (6.4.2007) by The Insurers (Reorganisation and Winding Up) (Amendment) Regulations 2007 (S.I. 2007/851), regs. 1, **2(2)(b)**
- F30** Words in reg. 2(1) substituted (12.5.2011) by The Companies Act 2006 (Consequential Amendments and Transitional Provisions) Order 2011 (S.I. 2011/1265), arts. 1(2), **23(2)(f)**
- F31** Words in reg. 2(1) omitted (12.5.2011) by virtue of The Companies Act 2006 (Consequential Amendments and Transitional Provisions) Order 2011 (S.I. 2011/1265), arts. 1(2), **23(2)(g)**
- F32** Words in reg. 2(1) omitted (31.12.2020) by virtue of The Credit Institutions and Insurance Undertakings Reorganisation and Winding Up (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/38), regs. 1(3), **2(2)(a)(x)** (with Pt. 3 Ch. 2) (as amended by S.I. 2020/1301, reg. 3, Sch. para. 13(g)(h)); 2020 c. 1, Sch. 5 para. 1(1)
- F33** Words in reg. 2(1) omitted (1.1.2016) by virtue of The Solvency 2 Regulations 2015 (S.I. 2015/575), reg. 1(2), **Sch. 2 para. 17(2)(a)(iv)**
- F34** Reg. 2(2) omitted (31.12.2020) by virtue of The Credit Institutions and Insurance Undertakings Reorganisation and Winding Up (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/38), regs. 1(3), **2(2)(b)** (with Pt. 3 Ch. 2) (as amended by S.I. 2020/1301, reg. 3, Sch. para. 13(g)(h)); 2020 c. 1, Sch. 5 para. 1(1)
- F35** Words in reg. 2(3) substituted (1.8.2014) by The Co-operative and Community Benefit Societies and Credit Unions Act 2010 (Consequential Amendments) Regulations 2014 (S.I. 2014/1815), reg. 1(2), **Sch. para. 12(2)(b)(i)**
- F36** Words in reg. 2(3) substituted (1.8.2014) by The Co-operative and Community Benefit Societies and Credit Unions Act 2010 (Consequential Amendments) Regulations 2014 (S.I. 2014/1815), reg. 1(2), **Sch. para. 12(2)(b)(ii)**
- F37** Words in reg. 2(5) substituted (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 88(b)**

#### Marginal Citations

- M3** 1986 c. 45, as last amended by the Enterprise Act 2002 (2002 c. 40).
- M4** 2000 c. 8.

**Changes to legislation:** *The Insurers (Reorganisation and Winding Up) Regulations 2004 is up to date with all changes known to be in force on or before 08 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

- M5** S.I. 1989/2405 (N.I. 19).
- M6** S.I. 1991/364.
- M7** S.I. 2001/2361.
- M8** 2002 c. 40.
- M9** 1992 c. 40.
- M10** 1969 c. 24 (N.I.).

### Scope

3. For the purposes of these Regulations, neither the Society of Lloyd’s nor the persons specified in section 316(1) of the 2000 Act are UK insurers.

## <sup>F38</sup> PART II

### INSOLVENCY MEASURES AND PROCEEDINGS: JURISDICTION IN RELATION TO INSURERS

#### Textual Amendments

**F38** Pt. 2 omitted (31.12.2020) by virtue of [The Credit Institutions and Insurance Undertakings Reorganisation and Winding Up \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/38\)](#), regs. 1(3), 2(3) (with Pt. 3 Ch. 2) (as amended by [S.I. 2020/1301](#), reg. 3, **Sch. para. 13(g)(h)**); 2020 c. 1, **Sch. 5 para. 1(1)**

#### Prohibition against winding up etc. EEA insurers in the United Kingdom

4. ....

#### Schemes of arrangement: EEA insurers

5. ....

#### Reorganisation measures and winding up proceedings in respect of EEA insurers effective in the United Kingdom

6. ....

#### Confirmation by the court of a creditors' voluntary winding up

7. ....

## PART III

### MODIFICATIONS OF THE LAW OF INSOLVENCY: NOTIFICATION AND PUBLICATION

#### Modifications of the law of insolvency

8. The general law of insolvency has effect in relation to UK insurers subject to the provisions of this Part.

**Changes to legislation:** *The Insurers (Reorganisation and Winding Up) Regulations 2004 is up to date with all changes known to be in force on or before 08 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

### **Notification of relevant decision to the [F39]FCA and, if the insurer is a PRA-authorized person, the PRA]**

9.—(1) Where on or after [F40]3rd March 2004] the court makes a decision, order or appointment of any of the following kinds—

- (a) an administration order under paragraph 13 of Schedule B1 <sup>M11</sup>[F41], or paragraph 14 of Schedule B1 to the 1989 Order];
- (b) a winding up order under section 125 of the 1986 Act or Article 105 of the 1989 Order;
- (c) the appointment of a provisional liquidator under section 135(1) of the 1986 Act or Article 115(1) of the 1989 Order;
- (d) an interim order under paragraph 13(1)(d) of Schedule B1 [F42]or paragraph 14(1)(d) of Schedule B1 to the 1989 Order];
- (e) a decision to reduce the value of one or more of the insurer’s contracts, in accordance with section 377 of the 2000 Act,

it must immediately inform the [F39]FCA and, if the insurer is a PRA-authorized person, the PRA], or cause the [F39]FCA and, if the insurer is a PRA-authorized person, the PRA] to be informed of the decision, order or appointment which has been made.

(2) Where a decision with respect to the approval of a voluntary arrangement has effect, and the arrangement which is the subject of that decision is a qualifying arrangement, the supervisor must forthwith inform the [F39]FCA and, if the insurer is a PRA-authorized person, the PRA] of the arrangement.

(3) Where a liquidator is appointed as mentioned in section 100 of the 1986 Act, paragraph 83 of Schedule B1 [F43], paragraph 84 of Schedule B1 to the 1989 Order] or Article 86 of the 1989 Order (appointment of liquidator in a creditors' voluntary winding up), the liquidator must inform the [F39]FCA and, if the insurer is a PRA-authorized person, the PRA] forthwith of his appointment.

(4) Where in the case of a members' voluntary winding up, section 95 of the 1986 Act (effect of company’s insolvency) or Article 81 of the 1989 Order applies, the liquidator must inform the [F39]FCA and, if the insurer is a PRA-authorized person, the PRA] forthwith that he is of that opinion.

[F44](6) Paragraphs (1), (2) and (3) do not require the FCA to be informed in any case where the FCA was represented at all hearings in connection with the application in relation to which the decision, order or appointment is made.

(6A) Paragraphs (1), (2) and (3) do not require the PRA to be informed in any case where the PRA was represented at all hearings in connection with the application in relation to which the decision, order or appointment is made.]

(7) For the purposes of paragraph (2), a “qualifying arrangement” means a voluntary arrangement which—

- (a) varies the rights of creditors as against the insurer and is intended to enable the insurer, and the whole or any part of its undertaking, to survive as a going concern; or
- (b) includes a realisation of some or all of the assets of the insurer and distribution of the proceeds to creditors, with a view to terminating the whole or any part of the business of that insurer.

(8) An administrator, supervisor or liquidator who fails without reasonable excuse to comply with paragraph (2), (3), or (4) (as the case may be) commits an offence and is liable on summary conviction to a fine not exceeding level 3 on the standard scale.

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**Textual Amendments**

- F39** Words in reg. 9 substituted (1.4.2013) by [The Financial Services Act 2012 \(Consequential Amendments and Transitional Provisions\) Order 2013 \(S.I. 2013/472\)](#), **Sch. 2 para. 88(c)**
- F40** Words in reg. 9(1) substituted (3.3.2004) by virtue of [The Insurers \(Reorganisation and Winding Up\) \(Amendment\) Regulations 2004 \(S.I. 2004/546\)](#), regs. 1, **2(2)**
- F41** Words in reg. 9(1)(a) added (6.4.2007) by [The Insurers \(Reorganisation and Winding Up\) \(Amendment\) Regulations 2007 \(S.I. 2007/851\)](#), regs. 1, **2(5)(a)**
- F42** Words in reg. 9(1)(d) added (6.4.2007) by [The Insurers \(Reorganisation and Winding Up\) \(Amendment\) Regulations 2007 \(S.I. 2007/851\)](#), regs. 1, **2(5)(b)**
- F43** Words in reg. 9(3) inserted (6.4.2007) by [The Insurers \(Reorganisation and Winding Up\) \(Amendment\) Regulations 2007 \(S.I. 2007/851\)](#), regs. 1, **2(6)**
- F44** Reg. 9(6)(6A) substituted for reg. 9(6) (1.4.2013) by [The Financial Services Act 2012 \(Consequential Amendments and Transitional Provisions\) Order 2013 \(S.I. 2013/472\)](#), **Sch. 2 para. 88(d)**

**Modifications etc. (not altering text)**

- C4** Reg. 9 modified (10.8.2005) by [The Insurers \(Reorganisation and Winding Up\) \(Lloyd's\) Regulations 2005 \(S.I. 2005/1998\)](#), regs. 1, **33** (with reg. 32)

**Marginal Citations**

- M11** Part II of the 1986 Act was applied to insurers by [S.I. 2002/1242](#), **article 3**, as amended by [S.I. 2003/2134](#) articles 2 and 4 and regulation 53 of these Regulations.

**Notification of relevant decision to EEA regulators**

<sup>F45</sup>**10.** . . . . .

**Textual Amendments**

- F45** **Reg. 10** omitted (31.12.2020) by virtue of [The Credit Institutions and Insurance Undertakings Reorganisation and Winding Up \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/38\)](#), regs. 1(3), **2(4)**; 2020 c. 1, Sch. 5 para. 1(1)

**Publication of voluntary arrangement, administration order, winding up order or scheme of arrangement**

<sup>F46</sup>**11.** . . . . .

**Textual Amendments**

- F46** **Reg. 11** omitted (31.12.2020) by virtue of [The Credit Institutions and Insurance Undertakings Reorganisation and Winding Up \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/38\)](#), regs. 1(3), **2(5)**; 2020 c. 1, Sch. 5 para. 1(1)

**Notification to creditors: winding up proceedings**

**12.—(1)** When a relevant order or appointment is made, or a relevant decision is taken, in relation to a UK insurer on or after 20th April 2003, the appointed officer must as soon as is reasonably practicable—

- (a) notify all known creditors of that insurer in writing of—

**Changes to legislation:** *The Insurers (Reorganisation and Winding Up) Regulations 2004 is up to date with all changes known to be in force on or before 08 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

- (i) the matters mentioned in paragraph (4), and
  - (ii) the matters mentioned in paragraph (5); and
- (b) notify all known insurance creditors of that insurer in writing of the matters mentioned in paragraph 6,
- in any case.

(2) The appointed officer may comply with the requirement in paragraph (1)(a)(i) and the requirement in paragraph (1)(a)(ii) by separate notifications.

(3) For the purposes of this regulation—

(a) “relevant order” means—

- (i) an administration order made under section 8 of the 1986 Act before 15th September 2003, or made on or after that date under paragraph 13 of Schedule B1 in the prescribed circumstances [<sup>F47</sup>or under paragraph 14 of Schedule B1 to the 1989 Order in the prescribed circumstances],
- (ii) a winding up order under section 125 of the 1986 Act (powers of the court on hearing a petition) or Article 105 of the 1989 Order (powers of High Court on hearing of petition),
- (iii) the appointment of a liquidator in accordance with section 138 of the 1986 Act (appointment of a liquidator in Scotland), and
- (iv) an order appointing a provisional liquidator in accordance with section 135 of that Act or Article 115 of the 1989 Order;

(b) “relevant appointment” means the appointment of a liquidator as mentioned in section 100 of the 1986 Act or Article 86 of the 1989 Order (appointment of liquidator in a creditors' voluntary winding up); and

(c) “relevant decision” means a decision as a result of which a qualifying voluntary arrangement has effect.

(4) The matters which must be notified to all known creditors in accordance with paragraph (1)(a)(i) are as follows—

- (a) that a relevant order or appointment has been made, or a relevant decision taken, in relation to the UK insurer; and
- (b) the date from which that order, appointment or decision has effect.

(5) The matters which must be notified to all known creditors in accordance with paragraph (1)(a)(ii) are as follows—

- (a) if applicable, the date by which a creditor must submit his claim in writing;
- (b) the matters which must be stated in a creditor's claim;
- (c) details of any category of debt in relation to which a claim is not required;
- (d) the person to whom any such claim or any observations on a claim must be submitted; and
- (e) the consequences of any failure to submit a claim by any specified deadline.

(6) The matters which must be notified to all known insurance creditors, in accordance with paragraph (1)(b), are as follows—

- (a) the effect which the relevant order, appointment or decision will, or is likely, to have on the kind of contract of insurance under, or in connection with, which that creditor's insurance claim against the insurer is founded; and
- (b) the date from which any variation (resulting from the relevant order or relevant decision) to the risks covered by, or the sums recoverable under, that contract has effect.

(7) <sup>F48</sup> ... Where a creditor is notified in accordance with paragraph (1)(a)(ii), the notification must be headed with the words “Invitation to lodge a claim: time limits to be observed” <sup>F48</sup> ...

<sup>F49</sup>(8) .....

(9) The obligation under paragraph (1)(a)(ii) may be discharged by sending a form of proof in accordance with <sup>F50</sup>... Rule 4.080 of the Insolvency Rules (Northern Ireland) [<sup>F51</sup>in cases where those rules apply], provided that the form of proof complies with paragraph (7) or (8) (whichever is applicable).

[<sup>F52</sup>(10) The prescribed circumstances are where the administrator includes in the statement required under [<sup>F53</sup>rule 3.3] of the Insolvency Rules or under Rule 2.003 of the Insolvency Rules (Northern Ireland) a statement to the effect that the objective set out in paragraph 3(1)(a) of Schedule B1 or in paragraph 4(1)(a) of Schedule B1 to the 1989 Order is not reasonably likely to be achieved.]

(11) Where, after the appointment of an administrator, the administrator concludes that it is not reasonably practicable to achieve the objective specified in paragraph 3(1)(a) of Schedule B1 [<sup>F54</sup>or in paragraph 4(1)(a) of Schedule B1 to the 1989 Order], he shall inform the court [<sup>F55</sup>, the FCA and, if the insurer is a PRA-authorized person, the PRA] in writing of that conclusion and upon so doing the order by which he was appointed shall be a relevant order for the purposes of this regulation and the obligation under paragraph (1) shall apply as from the date on which he so informs the court [<sup>F55</sup>, the FCA and, if the insurer is a PRA-authorized person, the PRA].

(12) An appointed officer commits an offence if he fails without reasonable excuse to comply with an applicable requirement under this regulation, and is liable on summary conviction to a fine not exceeding level 3 on the standard scale.

(13) For the purposes of this regulation—

(a) “appointed officer” means—

- (i) in the case of a relevant order falling within paragraph (3)(a)(i) or a relevant appointment falling within paragraph (3)(b)(i), the administrator,
- (ii) in the case of a relevant order falling within paragraph (3)(a)(ii) or (iii) or a relevant appointment falling within paragraph (3)(b)(ii), the liquidator,
- (iii) in the case of a relevant order falling within paragraph (3)(a)(iv), the provisional liquidator, or
- (iv) in the case of a relevant decision, the supervisor; and

(b) a creditor is a “known” creditor if the appointed officer is aware, or should reasonably be aware of—

- (i) his identity,
- (ii) his claim or potential claim, and
- (iii) a recent address where he is likely to receive a communication.

(14) For the purposes of paragraph (3), and of regulations 13 and 14, a voluntary arrangement is a qualifying voluntary arrangement if its purposes include a realisation of some or all of the assets of the UK insurer to which the order relates and a distribution of the proceeds to creditors, with a view to terminating the whole or any part of the business of that insurer.

**Textual Amendments**

**F47** Words in reg. 12(3)(a)(i) added (6.4.2007) by [The Insurers \(Reorganisation and Winding Up\) \(Amendment\) Regulations 2007 \(S.I. 2007/851\)](#), regs. 1, **2(8)**

**Changes to legislation:** *The Insurers (Reorganisation and Winding Up) Regulations 2004 is up to date with all changes known to be in force on or before 08 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

- F48** Words in reg. 12(7) omitted (31.12.2020) by virtue of [The Credit Institutions and Insurance Undertakings Reorganisation and Winding Up \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/38\)](#), regs. 1(3), **2(6)(a)**; 2020 c. 1, Sch. 5 para. 1(1)
- F49** Reg. 12(8) omitted (31.12.2020) by virtue of [The Credit Institutions and Insurance Undertakings Reorganisation and Winding Up \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/38\)](#), regs. 1(3), **2(6)(b)**; 2020 c. 1, Sch. 5 para. 1(1)
- F50** Words in reg. 12(9) omitted (23.4.2019) by virtue of [The Financial Services and Markets \(Insolvency\) \(Amendment of Miscellaneous Enactments\) Regulations 2019 \(S.I. 2019/755\)](#), regs. 1, **4(4)(a)(i)**
- F51** Words in reg. 12(9) substituted (23.4.2019) by [The Financial Services and Markets \(Insolvency\) \(Amendment of Miscellaneous Enactments\) Regulations 2019 \(S.I. 2019/755\)](#), regs. 1, **4(4)(a)(ii)**
- F52** Reg. 12(10) substituted (6.4.2007) by [The Insurers \(Reorganisation and Winding Up\) \(Amendment\) Regulations 2007 \(S.I. 2007/851\)](#), regs. 1, **2(9)**
- F53** Words in reg. 12(10) substituted (23.4.2019) by [The Financial Services and Markets \(Insolvency\) \(Amendment of Miscellaneous Enactments\) Regulations 2019 \(S.I. 2019/755\)](#), regs. 1, **4(4)(b)**
- F54** Words in reg. 12(11) inserted (6.4.2007) by [The Insurers \(Reorganisation and Winding Up\) \(Amendment\) Regulations 2007 \(S.I. 2007/851\)](#), regs. 1, **2(10)**
- F55** Words in reg. 12(11) substituted (1.4.2013) by [The Financial Services Act 2012 \(Consequential Amendments and Transitional Provisions\) Order 2013 \(S.I. 2013/472\)](#), **Sch. 2 para. 88(f)**

#### Modifications etc. (not altering text)

- C5** Reg. 12 applied (with modifications) (10.8.2005) by [The Insurers \(Reorganisation and Winding Up\) \(Lloyd's\) Regulations 2005 \(S.I. 2005/1998\)](#), regs. 1, **36(1)-(7)** (with reg. 32) (as amended by [S.I. 2018/208](#), regs. 1(3), 10(9) (with reg. 21); [S.I. 2019/755](#), regs. 1, 6(3))

### Submission of claims by EEA creditors

<sup>F56</sup>13. ....

#### Textual Amendments

- F56** Reg. 13 omitted (31.12.2020) by virtue of [The Credit Institutions and Insurance Undertakings Reorganisation and Winding Up \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/38\)](#), regs. 1(3), **2(7)**; 2020 c. 1, Sch. 5 para. 1(1)

### Reports to creditors

14.—(1) This regulation applies where, on or after 20th April 2003—

- (a) a liquidator is appointed in accordance with section 100 of the 1986 Act or Article 86 of the 1989 Order (creditors' voluntary winding up: appointment of liquidator) or, on or after 15th September 2003, paragraph 83 of Schedule B1 [<sup>F57</sup>or paragraph 84 of Schedule B1 to the 1989 Order] (moving from administration to creditors' voluntary liquidation);
- (b) a winding up order is made by the court;
- (c) a provisional liquidator is appointed; or
- (d) [<sup>F58</sup>an administrator is appointed under paragraph 13 of Schedule B1][<sup>F59</sup>or under paragraph 14 of Schedule B1 to the 1989 Order].

(2) The liquidator or provisional liquidator (as the case may be) must send to every known creditor a report once in every 12 months beginning with the date when his appointment has effect.

(3) The requirement in paragraph (2) does not apply where a liquidator or provisional liquidator is required by order of the court to send a report to creditors at intervals which are more frequent than those required by this regulation.

(4) This regulation is without prejudice to any requirement to send a report to creditors, imposed by the court on the liquidator or provisional liquidator, which is supplementary to the requirements of this regulation.

(5) A liquidator or provisional liquidator commits an offence if he fails without reasonable excuse to comply with an applicable requirement under this regulation, and is liable on summary conviction to a fine not exceeding level 3 on the standard scale.

(6) For the purposes of this regulation—

(a) “known creditor” means—

(i) a creditor who is known to the liquidator or provisional liquidator, and

(ii) in a case falling within paragraph (1)(b) or (c), a creditor who is specified in the insurer’s statement of affairs (within the meaning of section 131 of the 1986 Act or Article 111 of the 1989 Order); and

(b) “report” means a written report setting out the position generally as regards the progress of the winding up or provisional liquidation (as the case may be).

#### Textual Amendments

**F57** Words in reg. 14(1)(a) inserted (6.4.2007) by [The Insurers \(Reorganisation and Winding Up\) \(Amendment\) Regulations 2007 \(S.I. 2007/851\)](#), regs. 1, **2(11)(a)**

**F58** Words in reg. 14(1)(d) substituted (3.3.2004) by virtue of [The Insurers \(Reorganisation and Winding Up\) \(Amendment\) Regulations 2004 \(S.I. 2004/546\)](#), regs. 1, **2(3)**

**F59** Words in reg. 14(1)(d) added (6.4.2007) by [The Insurers \(Reorganisation and Winding Up\) \(Amendment\) Regulations 2007 \(S.I. 2007/851\)](#), regs. 1, **2(11)(b)**

#### Modifications etc. (not altering text)

**C6** Reg. 14 applied (with modifications) (10.8.2005) by [The Insurers \(Reorganisation and Winding Up\) \(Lloyd's\) Regulations 2005 \(S.I. 2005/1998\)](#), regs. 1, **38(1)-(4)** (with reg. 32) (as amended by [S.I. 2019/755](#), regs. 1, 6(5))

### Service of notices and documents

**15.—**(1) This regulation applies to any notification, report or other document which is required to be sent to a creditor of a UK insurer by a provision of this Part (“a relevant notification”).

(2) A relevant notification may be sent to a creditor by either of the following methods—

(a) posting it to the proper address of the creditor;

(b) transmitting it electronically, in accordance with paragraph (4).

(3) For the purposes of paragraph (2)(a), the proper address of a creditor is any current address provided by that creditor as an address for service of a relevant notification or, if no such address is provided—

(a) the last known address of that creditor (whether his residence or a place where he carries on business);

(b) in the case of a body corporate, the address of its registered or principal office; or

(c) in the case of an unincorporated association, the address of its principal office.

(4) A relevant notification may be transmitted electronically only if it is sent to—

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- (a) an electronic address notified to the relevant officer by the creditor for this purpose; or
  - (b) if no such address has been notified, an electronic address at which the relevant officer reasonably believes the creditor will receive the notification.
- (5) Any requirement in this part to send a relevant notification to a creditor shall also be treated as satisfied if—
- (a) the creditor has agreed with—
    - (i) the UK insurer which is liable under the creditor’s claim, or
    - (ii) the relevant officer,
 that information which is required to be sent to him (whether pursuant to a statutory or contractual obligation, or otherwise) may instead be accessed by him on a web site;
  - (b) the agreement applies to the relevant notification in question;
  - (c) the creditor is notified of—
    - (i) the publication of the relevant notification on a web site,
    - (ii) the address of that web site,
    - (iii) the place on that web site where the relevant notification may be accessed, and how it may be accessed; and
  - (d) the relevant notification is published on that web site throughout a period of at least one month beginning with the date on which the creditor is notified in accordance with subparagraph (c):
- (6) Where, in a case in which paragraph (5) is relied on for compliance with a requirement of regulation 12 or 14—
- (a) a relevant notification is published for a part, but not all, of the period mentioned in paragraph (5)(d); but
  - (b) the failure to publish it throughout that period is wholly attributable to circumstances which it would not be reasonable to have expected the relevant officer to prevent or avoid,
- no offence is committed under regulation 12(10) or regulation 14(5) (as the case may be) by reason of that failure.
- (7) In this regulation—
- (a) “electronic address” includes any number or address used for the purposes of receiving electronic communications;
  - (b) “electronic communication” means an electronic communication within the meaning of the Electronic Communications Act 2000<sup>M12</sup> the processing of which on receipt is intended to produce writing; and
  - (c) “relevant officer” means (as the case may be) an administrator, liquidator, provisional liquidator or supervisor who is required to send a relevant notification to a creditor by a provision of this Part.

**Modifications etc. (not altering text)**

C7 Reg. 15 applied (with modifications) (10.8.2005) by [The Insurers \(Reorganisation and Winding Up\) \(Lloyd's\) Regulations 2005 \(S.I. 2005/1998\)](#), regs. 1, **39(1)-(3)** (with reg. 32)

**Marginal Citations**

M12 2000 c. 7.

## Disclosure of confidential information received from an EEA regulator

<sup>F60</sup>16. ....

### Textual Amendments

**F60** Reg. 16 omitted (31.12.2020) by virtue of [The Credit Institutions and Insurance Undertakings Reorganisation and Winding Up \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/38\)](#), regs. 1(3), 2(8); 2020 c. 1, Sch. 5 para. 1(1)

## PART IV

### PRIORITY OF PAYMENT OF INSURANCE CLAIMS IN WINDING UP ETC.

### Modifications etc. (not altering text)

**C8** Pt. IV applied (with modifications) (10.8.2005) by [The Insurers \(Reorganisation and Winding Up\) \(Lloyd's\) Regulations 2005 \(S.I. 2005/1998\)](#), regs. 1, 40(1)-(11) (with reg. 32) (as amended by [S.I. 2018/208](#), regs. 1(3), 10(10) (with reg. 21); [S.I. 2019/755](#), regs. 1, 6(6))

## Interpretation of this Part

17.—(1) For the purposes of this Part—

“composite insurer” means a UK insurer who is authorised to carry on both general business and long term business <sup>F61</sup> ...;

“floating charge” has the meaning given by section 251 of the 1986 Act or paragraph (1) of Article 5 of the 1989 Order;

“general business” means the business of effecting or carrying out a contract of general insurance;

“general business assets” means the assets of a composite insurer which are, or should properly be, apportioned to that insurer’s general business <sup>F62</sup> ...;

“general business liabilities” means the debts of a composite insurer which are attributable to the general business carried on by that insurer;

“general insurer” means a UK insurer who carries on exclusively general business;

“long term business” means the business of effecting or carrying out a contract of long term insurance;

“long term business assets” means the assets of a composite insurer which are, or should properly be, apportioned to that insurer’s long term business <sup>F63</sup> ...;

“long term business liabilities” means the debts of a composite insurer which are attributable to the long term business carried on by that insurer;

“long term insurer” means a UK insurer who—

(a) carries on long term business exclusively, or

(b) carries on long term business and permitted general business;

“non-transferring composite insurer” means a composite insurer the long term business of which has not been, and is not to be, transferred as a going concern to a person who may lawfully carry out those contracts, in accordance with section 376(2) of the 2000 Act;

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“other assets” means any assets of a composite insurer which are not long term business assets or general business assets;

“other business”, in relation to a composite insurer, means such of the business (if any) of the insurer as is not long term business or general business;

“permitted general business” means the business of effecting or carrying out a contract of general insurance where the risk insured against relates to either accident or sickness;

“preferential debt” means a debt falling into any of categories 4 or 5 of the debts listed in Schedule 6 to the 1986 Act or Schedule 4 to the 1989 Order, that is—

- (a) contributions to occupational pension schemes, etc., and
- (b) remuneration etc. of employees;

“society” means—

- (a) a friendly society incorporated under the Friendly Societies Act 1992 <sup>M13</sup>,
- (b) a society which is a friendly society within the meaning of section 7(1)(a) of the Friendly Societies Act 1974 <sup>M14</sup>, and registered within the meaning of that Act, or
- (c) [<sup>F64</sup>a registered society.]

(2) In this Part, references to assets include a reference to proceeds where an asset has been realised, and any other sums representing assets.

(3) References in paragraph (1) to a contract of long term or of general insurance must be read with—

- (a) section 22 of the 2000 Act;
- (b) any relevant order made under that section; and
- (c) Schedule 2 to that Act.

#### Textual Amendments

- F61** Words in [reg. 17](#) omitted (31.12.2020) by virtue of [The Credit Institutions and Insurance Undertakings Reorganisation and Winding Up \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/38\)](#), regs. 1(3), [2\(9\)\(a\)](#); 2020 c. 1, Sch. 5 para. 1(1)
- F62** Words in [reg. 17](#) omitted (31.12.2020) by virtue of [The Credit Institutions and Insurance Undertakings Reorganisation and Winding Up \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/38\)](#), regs. 1(3), [2\(9\)\(b\)](#); 2020 c. 1, Sch. 5 para. 1(1)
- F63** Words in [reg. 17](#) omitted (31.12.2020) by virtue of [The Credit Institutions and Insurance Undertakings Reorganisation and Winding Up \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/38\)](#), regs. 1(3), [2\(9\)\(c\)](#); 2020 c. 1, Sch. 5 para. 1(1)
- F64** Words in [reg. 17\(1\)](#) substituted (1.8.2014) by [The Co-operative and Community Benefit Societies and Credit Unions Act 2010 \(Consequential Amendments\) Regulations 2014 \(S.I. 2014/1815\)](#), reg. 1(2), [Sch. para. 12\(3\)](#)

#### Marginal Citations

- M13** 1992 c. 40.
- M14** 1974 c. 46.

### Application of regulations 19 to 27

**18.—(1)** Subject to paragraph (2), regulations 19 to 27 apply in the winding up of a UK insurer where—

- (a) in the case of a winding up by the court, the winding up order is made on or after 20th April 2003; or
  - (b) in the case of a creditors' voluntary winding up, the liquidator is appointed, as mentioned in section 100 of the 1986 Act, paragraph 83 of Schedule B1<sup>F65</sup>, paragraph 84 of Schedule B1 to the 1989 Order] or Article 86 of the 1989 Order, on or after 20th April 2003.
- (2) Where a <sup>F66</sup>relevant compromise or arrangement] is in place,
- (a) no winding up proceedings may be opened without the permission of the court, and
  - (b) the permission of the court is to be granted only if required by the exceptional circumstances of the case.
- (3) For the purposes of paragraph (2), winding up proceedings include proceedings for a winding up order or for a creditors' voluntary liquidation with confirmation by the court.
- (4) Regulations 20 to 27 do not apply to a winding up falling within paragraph (1) where, in relation to a UK insurer—
- (a) an administration order was made before 20th April 2003, and that order is not discharged until the commencement date; or
  - (b) a provisional liquidator was appointed before 20th April 2003, and that appointment is not discharged until the commencement date.
- (5) For purposes of this regulation, “the commencement date” means the date when a UK insurer goes into liquidation within the meaning given by section 247(2) of the 1986 Act or Article 6(2) of the 1989 Order.
- <sup>F67</sup>(6) In paragraph (2) “relevant compromise or arrangement” means—
- (a) a section 899 compromise or arrangement, or
  - (b) a compromise or arrangement sanctioned by the court in relation to a UK insurer before 6th April 2008 under—
    - (i) section 425 of the Companies Act 1985 (excluding a compromise or arrangement falling within section 427 or 427A of that Act), or
    - (ii) Article 418 of the Companies (Northern Ireland) Order 1986 (excluding a compromise or arrangement falling within Article 420 or 420A of that Order).]

#### Textual Amendments

- F65** Words in reg. 18(1)(b) inserted (6.4.2007) by [The Insurers \(Reorganisation and Winding Up\) \(Amendment\) Regulations 2007 \(S.I. 2007/851\)](#), regs. 1, **2(12)**
- F66** Words in reg. 18(2) substituted (12.5.2011) by [The Companies Act 2006 \(Consequential Amendments and Transitional Provisions\) Order 2011 \(S.I. 2011/1265\)](#), arts. 1(2), **23(4)(a)**
- F67** Reg. 18(6) inserted (12.5.2011) by [The Companies Act 2006 \(Consequential Amendments and Transitional Provisions\) Order 2011 \(S.I. 2011/1265\)](#), arts. 1(2), **23(4)(b)**

#### Application of this Part: <sup>F68</sup>certain assets excluded from insolvent estate of UK insurer]

**19.**—(1) For the purposes of this Part, the insolvent estate of a UK insurer shall not include any assets which at the commencement date are subject to <sup>F69</sup>a relevant compromise or arrangement].

(2) In this regulation—

- (a) “assets” has the same meaning as “property” in section 436 of the 1986 Act or Article 2(2) of the 1989 Order;
- (b) “commencement date” has the meaning given in <sup>F70</sup>regulation 18(5)];

**Changes to legislation:** *The Insurers (Reorganisation and Winding Up) Regulations 2004 is up to date with all changes known to be in force on or before 08 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

- (c) “insolvent estate”—
- (i) in England, Wales and Northern Ireland has the meaning given by [<sup>F71</sup>rule 1.2] of the Insolvency Rules or Rule 0.2 of the Insolvency Rules (Northern Ireland), and
  - (ii) in Scotland means the company’s assets;
- [<sup>F72</sup>(d) “relevant compromise or arrangement” means—
- (i) a compromise or arrangement sanctioned by the court in relation to a UK insurer before 20th April 2003 under—
    - (aa) section 425 of the Companies Act 1985 (excluding a compromise or arrangement falling within section 427 or 427A of that Act), or
    - (bb) Article 418 of the Companies (Northern Ireland) Order 1986 (excluding a compromise or arrangement falling within Article 420 or 420A of that Order); or
  - (ii) any subsequent compromise or arrangement sanctioned by the court to amend or replace a compromise or arrangement of a kind mentioned in paragraph (i) which is—
    - (aa) itself of a kind mentioned in sub-paragraph (aa) or (bb) of paragraph (i) (whether sanctioned before, on or after 20th April 2003), or
    - (bb) a section 899 compromise or arrangement.]

#### Textual Amendments

- F68** Words in reg. 19 heading substituted (12.5.2011) by [The Companies Act 2006 \(Consequential Amendments and Transitional Provisions\) Order 2011 \(S.I. 2011/1265\)](#), arts. 1(2), **23(5)**
- F69** Words in reg. 19(1) substituted (12.5.2011) by [The Companies Act 2006 \(Consequential Amendments and Transitional Provisions\) Order 2011 \(S.I. 2011/1265\)](#), arts. 1(2), **23(6)(a)**
- F70** Words in reg. 19(2)(b) substituted (10.8.2005) by [The Insurers \(Reorganisation and Winding Up\) \(Lloyd’s\) Regulations 2005 \(S.I. 2005/1998\)](#), regs. 1, **49** (with reg. 32)
- F71** Words in reg. 19(2)(c)(i) substituted (23.4.2019) by [The Financial Services and Markets \(Insolvency\) \(Amendment of Miscellaneous Enactments\) Regulations 2019 \(S.I. 2019/755\)](#), regs. 1, **4(6)**
- F72** Reg. 19(2)(d) substituted (12.5.2011) by [The Companies Act 2006 \(Consequential Amendments and Transitional Provisions\) Order 2011 \(S.I. 2011/1265\)](#), arts. 1(2), **23(6)(b)**

#### Preferential debts: disapplication of section 175 of the 1986 Act or Article 149 of the 1989 Order

**20.** Except to the extent that they are applied by regulation 27, section 175 of the 1986 Act or Article 149 of the 1989 Order (preferential debts (general provision)) does not apply in the case of a winding up of a UK insurer, and instead the provisions of regulations 21 to 26 have effect.

#### Preferential debts: long term insurers and general insurers

- 21.—**(1) This regulation applies in the case of a winding up of—
- (a) a long term insurer;
  - (b) a general insurer;
  - (c) a composite insurer, where the long term business of that insurer has been or is to be transferred as a going concern to a person who may lawfully carry out the contracts in that long term business in accordance with section 376(2) of the 2000 Act.

(2) Subject to paragraph (3), the debts of the insurer must be paid in the following order of priority—

- (a) preferential debts;
- (b) insurance debts;
- (c) all other debts.

(3) Preferential debts rank equally among themselves [<sup>F73</sup>after the expenses of the winding up] and must be paid in full, unless the assets are insufficient to meet them, in which case they abate in equal proportions.

(4) Insurance debts rank equally among themselves and must be paid in full, unless the assets available after the payment of preferential debts are insufficient to meet them, in which case they abate in equal proportions.

(5) Subject to paragraph (6), so far as the assets of the insurer available for the payment of unsecured creditors are insufficient to meet the preferential debts, those debts (and only those debts) have priority over the claims of holders of debentures secured by, or holders of, any floating charge created by the insurer, and must be paid accordingly out of any property comprised in or subject to that charge.

(6) The order of priority specified in paragraph (2)(a) and (b) applies for the purposes of any payment made in accordance with paragraph (5).

(7) Section 176A of the 1986 Act [<sup>F74</sup>and Article 150A of the 1989 Order][<sup>F75</sup>have] effect with regard to an insurer so that insurance debts must be paid out of the prescribed part in priority to all other unsecured debts.

#### Textual Amendments

- F73** Words in reg. 21(3) inserted (3.3.2004) by [The Insurers \(Reorganisation and Winding Up\) \(Amendment\) Regulations 2004 \(S.I. 2004/546\)](#), regs. 1, **2(4)**
- F74** Words in reg. 21(7) inserted (6.4.2007) by [The Insurers \(Reorganisation and Winding Up\) \(Amendment\) Regulations 2007 \(S.I. 2007/851\)](#), regs. 1, **2(13)**
- F75** Word in reg. 21(7) substituted (6.4.2007) by [The Insurers \(Reorganisation and Winding Up\) \(Amendment\) Regulations 2007 \(S.I. 2007/851\)](#), regs. 1, **2(13)**

### Composite insurers: preferential debts attributable to long term and general business

**22.—**(1) This regulation applies in the case of the winding up of a non-transferring composite insurer.

(2) Subject to the payment of costs in accordance with regulation 30, the long term business assets and the general business assets must be applied separately in accordance with paragraphs (3) and (4).

(3) Subject to paragraph (6), the long term business assets must be applied in discharge of the long term business preferential debts in the order of priority specified in regulation 23(1).

(4) Subject to paragraph (8), the general business assets must be applied in discharge of the general business preferential debts in the order of priority specified in regulation 24(1).

(5) Paragraph (6) applies where the value of the long term business assets exceeds the long term business preferential debts and the general business assets are insufficient to meet the general business preferential debts.

(6) Those long term business assets which represent the excess must be applied in discharge of the outstanding general business preferential debts of the insurer, in accordance with the order of priority specified in regulation 24(1).

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(7) Paragraph (8) applies where the value of the general business assets exceeds the general business preferential debts, and the long term business assets are insufficient to meet the long term business preferential debts.

(8) Those general business assets which represent the excess must be applied in discharge of the outstanding long term business preferential debts of the insurer, in accordance with the order of priority specified in regulation 23(1).

(9) For the purposes of this regulation and regulations 23 and 24—

“long term business preferential debts” means those debts mentioned in regulation 23(1) and, unless the court orders otherwise, any expenses of the winding up which are apportioned to the long term business assets in accordance with regulation 30;

“general business preferential debts” means those debts mentioned in regulation 24(1) and, unless the court orders otherwise, any expenses of the winding up which are apportioned to the general business assets in accordance with regulation 30.

(10) For the purposes of paragraphs (6) and (8)—

“outstanding long term business preferential debts” means those long term business preferential debts, if any, which remain unpaid, either in whole or in part, after the application of the long term business assets, in accordance with paragraph (3);

“outstanding general business preferential debts” means those general business preferential debts, if any, which remain unpaid, either in whole or in part, after the application of the general business assets, in accordance with paragraph (3).

### **Preferential debts: long term business of a non-transferring composite insurer**

**23.—**(1) For the purpose of compliance with the requirement in regulation 22(3), the long term business assets of a non-transferring composite insurer must be applied in discharge of the following debts and in the following order of priority—

- (a) relevant preferential debts;
- (b) long term insurance debts.

(2) Relevant preferential debts rank equally among themselves, unless the long term business assets, any available general business assets and other assets (if any) applied in accordance with regulation 24 are insufficient to meet them, in which case they abate in equal proportions.

(3) Long term insurance debts rank equally among themselves, unless the long term business assets available after the payment of relevant preferential debts and any available general business assets and other assets (if any) applied in accordance with regulation 25 are insufficient to meet them, in which case they abate in equal proportions.

(4) So far as the long term business assets, and any available general business assets, which are available for the payment of unsecured creditors are insufficient to meet the relevant preferential debts, those debts (and only those debts) have priority over the claims of holders of debentures secured by, or holders of, any floating charge created by the insurer over any of its long term business assets, and must be paid accordingly out of any property comprised in or subject to that charge.

(5) The order of priority specified in paragraph (1) applies for the purposes of any payment made in accordance with paragraph (4).

(6) For the purposes of this regulation—

“available general business assets” means those general business assets which must be applied in discharge of the insurer’s outstanding long term business preferential debts, in accordance with regulation 22(8);

“long term insurance debt” means an insurance debt which is attributable to the long term business of the insurer;

“relevant preferential debt” means a preferential debt which is attributable to the long term business of the insurer.

### **Preferential debts: general business of a composite insurer**

**24.**—(1) For the purpose of compliance with the requirement in regulation 22(4), the long term business assets of a non-transferring composite insurer must be applied in discharge of the following debts and in the following order of priority—

- (a) relevant preferential debts;
- (b) general insurance debts.

(2) Relevant preferential debts rank equally among themselves, unless the general business assets, any available long term business assets, and other assets (if any) applied in accordance with regulation 25 are insufficient to meet them, in which case they abate in equal proportions.

(3) General insurance debts rank equally among themselves, unless the general business assets available after the payment of relevant preferential debts, any available long term business assets, and other assets (if any) applied in accordance with regulation 26 are insufficient to meet them, in which case they abate in equal proportions.

(4) So far as the other business assets and available long term assets of the insurer which are available for the payment of unsecured creditors are insufficient to meet relevant preferential debts, those debts (and only those debts) have priority over the claims of holders of debentures secured by, or holders of, any floating charge created by the insurer, and must be paid accordingly out of any property comprised in or subject to that charge.

(5) The order of priority specified in paragraph (1) applies for the purposes of any payment made in accordance with paragraph (4).

(6) For the purposes of this regulation—

“available long term business assets” means those long term business assets which must be applied in discharge of the insurer’s outstanding general business preferential debts, in accordance with regulation 22(6);

“general insurance debt” means an insurance debt which is attributable to the general business of the insurer;

“relevant preferential debt” means a preferential debt which is attributable to the general business of the insurer.

### **Insufficiency of long term business assets and general business assets**

**25.**—(1) This regulation applies in the case of the winding up of a non-transferring composite insurer where the long term business assets and the general business assets, applied in accordance with regulation 22, are insufficient to meet in full the preferential debts and insurance debts.

(2) In a case in which this regulation applies, the other assets (if any) of the insurer must be applied in the following order of priority—

- (a) outstanding preferential debts;
- (b) unattributed preferential debts;
- (c) outstanding insurance debts;
- (d) all other debts.

(3) So far as the long term business assets, and any available general business assets, which are available for the payment of unsecured creditors are insufficient to meet the outstanding preferential debts and the unattributed preferential debts, those debts (and only those debts) have priority over the claims of holders of debentures secured by, or holders of, any floating charge created by the

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insurer over any of its other assets, and must be paid accordingly out of any property comprised in or subject to that charge.

(4) For the purposes of this regulation—

“outstanding insurance debt” means any insurance debt, or any part of an insurance debt, which was not discharged by the application of the long term business assets and the general business assets in accordance with regulation 22;

“outstanding preferential debt” means any preferential debt attributable either to the long term business or the general business of the insurer which was not discharged by the application of the long term business assets and the general business assets in accordance with regulation 23;

“unattributed preferential debt” means a preferential debt which is not attributable to either the long term business or the general business of the insurer.

### **Composite insurers: excess of long term business assets and general business assets**

**26.**—(1) This regulation applies in the case of the winding up of a non-transferring composite insurer where the value of the long term business assets and the general business assets, applied in accordance with regulation 22, exceeds the value of the sum of the long term business preferential debts and the general business preferential debts.

(2) In a case to which this regulation applies, long term business assets or general business assets which have not been applied in discharge of long term business preferential debts or general business preferential debts must be applied in accordance with regulation 27.

(3) In this regulation, “long term business preferential debts” and “general business preferential debts” have the same meaning as in regulation 22.

### **Composite insurers: application of other assets**

**27.**—(1) This regulation applies in the case of the winding up of a non-transferring composite insurer where regulation 25 does not apply.

(2) The other assets of the insurer, together with any outstanding business assets, must be paid in discharge of the following debts in accordance with section 175 of the 1986 Act or Article 149 of the 1989 Order—

- (a) unattributed preferential debts;
- (b) all other debts.

(3) In this regulation—

“unattributed preferential debt” has the same meaning as in regulation 25;

“outstanding business assets” means assets of the kind mentioned in regulation 26(2).

### **Composite insurers: proof of debts**

**28.**—(1) This regulation applies in the case of the winding up of a non-transferring composite insurer in compliance with the requirement in regulation 23(2).

(2) The liquidator may in relation to the insurer’s long term business assets and its general business assets fix different days on or before which the creditors of the company who are required to prove their debts or claims are to prove their debts or claims, and he may fix one of those days without at the same time fixing the other.

(3) In submitting a proof of any debt a creditor may claim the whole or any part of such debt as is attributable to the company’s long term business or to its general business, or he may make no such attribution.

(4) When he admits any debt, in whole or in part, the liquidator must state in writing how much of what he admits is attributable to the company's long term business, how much is attributable to the company's general business, and how much is attributable to its other business (if any).

(5) Paragraph (2) does not apply in Scotland.

### [<sup>F76</sup>Composite insurers: seeking decisions from creditors

**28A.**—(1) This regulation applies in the same circumstances as regulation 28, but only if the non-transferring composite insurer is—

- (a) a company registered in England and Wales [<sup>F77</sup>or Scotland];
- (b) a registered society within the meaning given by section 1(1) of the Co-operative and Community Benefit Societies Act 2014 which the courts in England and Wales [<sup>F78</sup>or Scotland] have jurisdiction to wind up; or
- (c) a friendly society within the meaning of section 7(1)(a) of the Friendly Societies Act 1974, which is registered within the meaning of that Act and is being wound up by the High Court [<sup>F79</sup>or the Court of Session] under the Insolvency Act 1986.

(2) The creditors from whom the liquidator is to seek a decision about any matter in relation to the winding up are to be—

- (a) in relation to the long term business assets of that insurer, only those who are creditors in respect of long term business liabilities, and
- (b) in relation to the general business assets of that insurer, only those who are creditors in respect of general business liabilities.]

#### Textual Amendments

- F76** Reg. 28A inserted (13.3.2018) by [The Small Business, Enterprise and Employment Act 2015 \(Consequential Amendments, Savings and Transitional Provisions\) Regulations 2018 \(S.I. 2018/208\)](#), regs. 1(3), **9(2)** (with reg. 20)
- F77** Words in reg. 28A(1)(a) inserted (23.7.2019) by [The Small Business, Enterprise and Employment Act 2015 \(Consequential Amendments, Savings and Transitional Provisions\) Regulations 2019 \(S.I. 2019/1058\)](#), regs. 1, **6(2)(a)** (with reg. 11(1))
- F78** Words in reg. 28A(1)(b) inserted (23.7.2019) by [The Small Business, Enterprise and Employment Act 2015 \(Consequential Amendments, Savings and Transitional Provisions\) Regulations 2019 \(S.I. 2019/1058\)](#), regs. 1, **6(2)(b)** (with reg. 11(1))
- F79** Words in reg. 28A(1)(c) inserted (23.7.2019) by [The Small Business, Enterprise and Employment Act 2015 \(Consequential Amendments, Savings and Transitional Provisions\) Regulations 2019 \(S.I. 2019/1058\)](#), regs. 1, **6(2)(c)** (with reg. 11(1))

### Composite insurers: general meetings of creditors

**29.**—(1) This regulation applies in the same circumstances as regulation 28<sup>F80</sup>, but only if the non-transferring composite insurer is a company registered in <sup>F81</sup>... Northern Ireland or a society other than a society of a kind to which regulation 28A applies].

(2) The creditors mentioned in section 168(2) of the 1986 Act [<sup>F82</sup>(as applied in relation to such a society)], Article 143(2) of the 1989 Order or rule 4.13 of the Insolvency (Scotland) Rules [<sup>F83</sup>1986] (power of liquidator to summon general meetings of creditors) are to be—

- (a) in relation to the long term business assets of that insurer, only those who are creditors in respect of long term business liabilities; and

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(b) in relation to the general business assets of that insurer, only those who are creditors in respect of general business liabilities,

and, accordingly, any general meetings of creditors summoned for the purposes of that section, Article or rule are to be separate general meetings of creditors in respect of long term business liabilities and general business liabilities.

#### Textual Amendments

- F80** Words in reg. 29(1) inserted (13.3.2018) by [The Small Business, Enterprise and Employment Act 2015 \(Consequential Amendments, Savings and Transitional Provisions\) Regulations 2018 \(S.I. 2018/208\)](#), regs. 1(3), **9(3)(a)** (with reg. 20)
- F81** Words in reg. 29(1) omitted (23.7.2019) by virtue of [The Small Business, Enterprise and Employment Act 2015 \(Consequential Amendments, Savings and Transitional Provisions\) Regulations 2019 \(S.I. 2019/1058\)](#), regs. 1, **6(3)** (with reg. 11(1))
- F82** Words in reg. 29(2) inserted (13.3.2018) by [The Small Business, Enterprise and Employment Act 2015 \(Consequential Amendments, Savings and Transitional Provisions\) Regulations 2018 \(S.I. 2018/208\)](#), regs. 1(3), **9(3)(b)** (with reg. 20)
- F83** Word in reg. 29(2) inserted (23.4.2019) by [The Financial Services and Markets \(Insolvency\) \(Amendment of Miscellaneous Enactments\) Regulations 2019 \(S.I. 2019/755\)](#), regs. 1, **4(7)**

#### Composite insurers: apportionment of costs payable out of the assets

**30.**—(1) In the case of the winding up of a non-transferring composite insurer, [<sup>F84</sup>rule 6.42 (general rule as to priority in creditors' voluntary winding up) or 7.108 (general rule as to priority in winding up by the court)] of the Insolvency Rules or Rule 4.228 of the Insolvency Rules (Northern Ireland) (general rules as to priority) or [<sup>F85</sup>rule 7.28 of the Insolvency (Scotland) (Receivership and Winding up) Rules 2018] applies separately to long-term business assets and to the general business assets of that insurer.

(2) But where any fee, expense, cost, charge, or remuneration does not relate exclusively to the long-term business assets or to the general business assets of that insurer, the liquidator must apportion it amongst those assets in such manner as he shall determine.

#### Textual Amendments

- F84** Words in reg. 30(1) substituted (23.4.2019) by [The Financial Services and Markets \(Insolvency\) \(Amendment of Miscellaneous Enactments\) Regulations 2019 \(S.I. 2019/755\)](#), regs. 1, **4(8)(a)**
- F85** Words in reg. 30(1) substituted (23.4.2019) by [The Financial Services and Markets \(Insolvency\) \(Amendment of Miscellaneous Enactments\) Regulations 2019 \(S.I. 2019/755\)](#), regs. 1, **4(8)(b)**

#### Summary remedy against liquidators

**31.** Section 212 of the 1986 Act or Article 176 of the 1989 Order (summary remedy against delinquent directors, liquidators etc.) applies in relation to a liquidator who is required to comply with regulations 21 to 27, as it applies in relation to a liquidator who is required to comply with section 175 of the 1986 Act or Article 149 of the 1989 Order.

#### Priority of subrogated claims by the Financial Services Compensation Scheme

**32.**—(1) This regulation applies where an insurance creditor has assigned a relevant right to the scheme manager (“a relevant assignment”).

(2) For the purposes of regulations 21, 23 and 24, where the scheme manager proves for an insurance debt in the winding up of a UK insurer pursuant to a relevant assignment, that debt must be paid to the scheme manager in the same order of priority as any other insurance debt.

(3) In this regulation—

“relevant right” means any direct right of action against a UK insurer under a contract of insurance, including the right to prove for a debt under that contract in a winding up of that insurer;

“scheme manager” has the meaning given by section 212(1) of the 2000 Act.

### **Voluntary arrangements: treatment of insurance debts**

**33.**—(1) The modifications made by paragraph (2) apply where a voluntary arrangement is proposed under section 1 of the 1986 Act or Article 14 of the 1989 Order in relation to a UK insurer, and that arrangement includes—

- (a) a composition in satisfaction of any insurance debts; and
- (b) a distribution to creditors of some or all of the assets of that insurer in the course of, or with a view to, terminating the whole or any part of the business of that insurer.

(2) Section 4 of the 1986 Act (decisions of meetings) has effect as if—

(a) after subsection (4) there were inserted—

[<sup>F86</sup>“(4A) Neither the company nor its creditors may approve any proposal or modification under which any insurance debt of the company is to be paid otherwise than in priority to such of its debts as are not insurance debts or preferential debts.”];

(b) for subsection (7) there were substituted—

“(7) References in this section to preferential debts mean debts falling into any of categories 4 and 5 of the debts listed in Schedule 6 to this Act; and references to preferential creditors are to be construed accordingly.”; and

(c) after subsection (7) as so substituted there were inserted—

“(8) For the purposes of this section—

(a) “insurance debt” has the meaning it has in the Insurers ( Reorganisation and Winding up) Regulations 2004; and

(b) “relevant insolvency measure” means—

(i) the appointment of a provisional liquidator, or

(ii) the appointment of an administrator,

where an effect of the appointment will be, or is intended to be, a realisation of some or all of the assets of the insurer and the distribution of the proceeds to creditors, with a view to terminating the whole or any part of the business of that insurer.”.

(3) Article 17 of the 1989 Order (decisions of meetings) has effect as if—

(a) after paragraph (4) there were inserted—

“(4A) A meeting so summoned and taking place on or after 20th April 2003 shall not approve any proposal or modification under which any insurance debt of the company is to be paid otherwise than in priority to such of its debts as are not insurance debts or preferential debts.

(4B) Paragraph (4A) does not apply where—

(a) a winding up order made before 20th April 2003 is in force; or

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- (b) a relevant insolvency appointment made before 20th April [<sup>F87</sup>2003] has effect, in relation to the company.”;
- (b) for paragraph (7) there were substituted—
- “(7) References in this Article to preferential debts mean debts falling into any of categories 4 and 5 of the debts listed in Schedule 4 to this Order, and references to preferential creditors are to be construed accordingly.”; and
- (c) after paragraph (7) as so substituted there were inserted—
- “(8) For the purposes of this section—
- (a) “insurance debt” has the meaning it has in the Insurers (Reorganisation and Winding Up) Regulations 2004 and
- (b) “relevant insolvency measure” means—
- (i) the appointment of a provisional liquidator, or
- (ii) the appointment of an administrator,
- where an effect of the appointment will be, or is intended to be, a realisation of some or all of the assets of the insurer and the distribution of the proceeds to creditors, with a view to terminating the whole or any part of the business of that insurer.”.

#### Textual Amendments

- F86** Words in reg. 33(2)(a) substituted (23.7.2019) by [The Small Business, Enterprise and Employment Act 2015 \(Consequential Amendments, Savings and Transitional Provisions\) Regulations 2019 \(S.I. 2019/1058\)](#), regs. 1, [6\(4\)](#) (with reg. 11(2))
- F87** Word in reg. 33(3) inserted (3.3.2004) by [The Insurers \(Reorganisation and Winding Up\) \(Amendment\) Regulations 2004 \(S.I. 2004/546\)](#), regs. 1, [2\(5\)](#)

## PART V

### REORGANISATION OR WINDING UP OF UK INSURERS <sup>F88</sup>...

#### Textual Amendments

- F88** Words in Pt. 5 heading omitted (31.12.2020) by virtue of [The Credit Institutions and Insurance Undertakings Reorganisation and Winding Up \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/38\)](#), regs. 1(3), [2\(10\)](#) (with Pt. 3 Ch. 2) (as amended by S.I. 2020/1301, reg. 3, Sch. para. 13(g)(h)); 2020 c. 1, Sch. 5 para. 1(1)

#### Modifications etc. (not altering text)

- C9** Pt. 5 applied (with modifications) (10.8.2005) by [The Insurers \(Reorganisation and Winding Up\) \(Lloyd's\) Regulations 2005 \(S.I. 2005/1998\)](#), regs. 1, [45](#), [46](#) (with reg. 32) (as amended (31.12.2020) by [The Credit Institutions and Insurance Undertakings Reorganisation and Winding Up \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/38\)](#), regs. 1(3), [4\(6\)\(7\)](#); 2020 c. 1, [Sch. 5 para. 1\(1\)](#))
- C10** Pt. 5 excluded (10.8.2005) by [The Insurers \(Reorganisation and Winding Up\) \(Lloyd's\) Regulations 2005 \(S.I. 2005/1998\)](#), regs. 1, [47\(2\)](#) (with reg. 32)

## Application of this Part

34.—(1) This Part applies—

- (a) where a decision with respect to the approval of a proposed voluntary arrangement having a qualifying purpose is made under section 4A of the 1986 Act or Article 17A of the 1989 Order on or after 20th April 2003 in relation to a UK insurer;
  - (b) where an administration order made under section 8 of the 1986 Act on or after 20th April 2003 or, on or after 15th September 2003, made under paragraph 13 of Schedule B1 [<sup>F89</sup>or under paragraph 14 of Schedule B1 to the 1989 Order] is in force in relation to a UK insurer;
  - (c) where on or after 20th April 2003 the court reduces the value of one or more of the contracts of a UK insurer under section 377 of the 2000 Act or section 24(5) of the Friendly Societies Act 1992;
  - (d) where a UK insurer is subject to a relevant winding up;
  - (e) where a provisional liquidator is appointed in relation to a UK insurer on or after 20th April 2003.
- (2) For the purposes of paragraph (1)(a), a voluntary arrangement has a qualifying purpose if it—
- (a) varies the rights of the creditors as against the insurer and is intended to enable the insurer, and the whole or any part of its undertaking, to survive as a going concern; or
  - (b) includes a realisation of some or all of the assets of the insurer to which it relates and the distribution of the proceeds to creditors, with a view to terminating the whole or any part of the business of that insurer.
- (3) For the purposes of paragraph (1)(d), a winding up is a relevant winding up if—
- (a) in the case of a winding up by the court, the winding up order is made on or after 20th April 2003; or
  - (b) in the case of a creditors' voluntary winding up, the liquidator is appointed in accordance with section 100 of the 1986 Act, paragraph 83 of Schedule B1 [<sup>F90</sup>, paragraph 84 of Schedule B1 to the 1989 Order] or Article 86 of the 1989 Order on or after 20th April 2003.

### Textual Amendments

**F89** Words in reg. 34(1)(b) inserted (6.4.2007) by [The Insurers \(Reorganisation and Winding Up\) \(Amendment\) Regulations 2007 \(S.I. 2007/851\)](#), regs. 1, **2(14)**

**F90** Words in reg. 34(3)(b) inserted (6.4.2007) by [The Insurers \(Reorganisation and Winding Up\) \(Amendment\) Regulations 2007 \(S.I. 2007/851\)](#), regs. 1, **2(15)**

## Application of this Part: [<sup>F91</sup>certain assets excluded from insolvent estate of UK insurer]

35.—(1) For the purposes of this Part, the insolvent estate of a UK insurer shall not include any assets which at the commencement date are subject to [<sup>F92</sup>a relevant compromise or arrangement].

(2) In this regulation—

- (a) “assets” has the same meaning as “property” in section 436 of the 1986 Act or Article 2(2) of the 1989 Order;
- (b) “commencement date” has the meaning given in regulation 18(4);
- (c) “insolvent estate” in England and Wales and Northern Ireland has the meaning given by [<sup>F93</sup>rule 1.2] of the Insolvency Rules or Rule 0.2 of the Insolvency Rules (Northern Ireland) and in Scotland means the company’s assets;

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- [<sup>F94</sup>(d) “relevant compromise or arrangement” means—
- (i) a compromise or arrangement sanctioned by the court in relation to a UK insurer before 20th April 2003 under—
    - (aa) section 425 of the Companies Act 1985 (excluding a compromise or arrangement falling within section 427 or 427A of that Act), or
    - (bb) Article 418 of the Companies (Northern Ireland) Order 1986 (excluding a compromise or arrangement falling within Article 420 or 420A of that Order); or
  - (ii) any subsequent compromise or arrangement sanctioned by the court to amend or replace a compromise or arrangement of a kind mentioned in paragraph (i) which is—
    - (aa) itself of a kind mentioned in sub-paragraph (aa) or (bb) of paragraph (i) (whether sanctioned before, on or after 20th April 2003), or
    - (bb) a section 899 compromise or arrangement.]

**Textual Amendments**

- F91** Words in reg. 35 heading substituted (12.5.2011) by [The Companies Act 2006 \(Consequential Amendments and Transitional Provisions\) Order 2011 \(S.I. 2011/1265\)](#), arts. 1(2), **23(7)**
- F92** Words in reg. 35(1) substituted (12.5.2011) by [The Companies Act 2006 \(Consequential Amendments and Transitional Provisions\) Order 2011 \(S.I. 2011/1265\)](#), arts. 1(2), **23(8)(a)**
- F93** Words in reg. 35(2)(c) substituted (23.4.2019) by [The Financial Services and Markets \(Insolvency\) \(Amendment of Miscellaneous Enactments\) Regulations 2019 \(S.I. 2019/755\)](#), regs. 1, **4(9)**
- F94** Reg. 35(2)(d) substituted (12.5.2011) by [The Companies Act 2006 \(Consequential Amendments and Transitional Provisions\) Order 2011 \(S.I. 2011/1265\)](#), arts. 1(2), **23(8)(b)**

**Modifications etc. (not altering text)**

- C11** Reg. 35 disappplied (10.8.2005) by [The Insurers \(Reorganisation and Winding Up\) \(Lloyd's\) Regulations 2005 \(S.I. 2005/1998\)](#), regs. 1, **45**, 46(2) (with reg. 32)

**Interpretation of this Part**

- 36.**—(1) For the purposes of this Part—
- (a) “affected insurer” means a UK insurer which is the subject of a relevant reorganisation or a relevant winding up;
  - (b) “relevant reorganisation or a relevant winding up” means any voluntary arrangement, administration order, winding up, or order referred to in regulation 34(1)(d) to which this Part applies; <sup>F95</sup> ...

<sup>F95</sup>(c) .....

- (2) In this Part, references to the opening of a relevant reorganisation or a relevant winding up mean—
- (a) in the case of winding up proceedings—
    - (i) in the case of a winding up by the court, the date on which the winding up order is made, or
    - (ii) in the case of a creditors' voluntary winding up, the date on which the liquidator is appointed in accordance with section 100 of the 1986 Act <sup>M15</sup>, paragraph 83 of

Schedule B1 or Article 86 of the 1989 Order [<sup>F96</sup>or paragraph 84 of Schedule B1 to the 1989 Order];

- (b) in the case of a voluntary arrangement, the date when a decision with respect to that voluntary arrangement has effect in accordance with section 4A(2) of the 1986 Act or Article 17A(2) of the 1989 Order;
- (c) in a case where an administration order under paragraph 13 of Schedule B1 [<sup>F97</sup>or under paragraph 14 of Schedule B1 to the 1989 Order] is in force, the date of the making of that order;
- (d) in a case where an administrator is appointed under paragraphs 14 or 22 of Schedule B1 [<sup>F98</sup>or under paragraph 15 or 23 of Schedule B1 to the 1989 Order,] the date on which that appointment takes effect;
- (e) in a case where the court reduces the value of one or more of the contracts of a UK insurer under section 377 of the 2000 Act or section 24(5) of the Friendly Societies Act 1992, the date the court exercises that power; and
- (f) in a case where a provisional liquidator has been appointed, the date of that appointment, and references to the time of an opening must be construed accordingly.

#### Textual Amendments

- F95** Reg. 36(1)(c) and word omitted (31.12.2020) by virtue of [The Credit Institutions and Insurance Undertakings Reorganisation and Winding Up \(Amendment\) \(EU Exit\) Regulations 2019](#) (S.I. 2019/38), regs. 1(3), **2(11)** (with Pt. 3 Ch. 2) (as amended by S.I. 2020/1301, reg. 3, Sch. para. 13(g)(h)); 2020 c. 1, Sch. 5 para. 1(1)
- F96** Words in reg. 36(2)(a)(ii) added (6.4.2007) by [The Insurers \(Reorganisation and Winding Up\) \(Amendment\) Regulations 2007](#) (S.I. 2007/851), regs. 1, **2(16)(a)**
- F97** Words in reg. 36(2)(c) inserted (6.4.2007) by [The Insurers \(Reorganisation and Winding Up\) \(Amendment\) Regulations 2007](#) (S.I. 2007/851), regs. 1, **2(16)(b)**
- F98** Words in reg. 36(2)(d) inserted (6.4.2007) by [The Insurers \(Reorganisation and Winding Up\) \(Amendment\) Regulations 2007](#) (S.I. 2007/851), regs. 1, **2(16)(c)**

#### Modifications etc. (not altering text)

- C12** Reg. 36 modified (10.8.2005) by [The Insurers \(Reorganisation and Winding Up\) \(Lloyd's\) Regulations 2005](#) (S.I. 2005/1998), regs. 1, **45**, 46(3) (with reg. 32)

#### Marginal Citations

- M15** [Section 4A](#) was inserted into the 1986 Act by the [Insolvency Act 2000](#)(c. ), section 2(a) and Schedule 2 paragraphs 1 and 5.

### [<sup>F99</sup>Applicable law in the winding up of a UK insurer

**37.** The general law of insolvency of the United Kingdom is applicable in a relevant winding up, subject only to the provisions of regulations 43 and 44.]

#### Textual Amendments

- F99** Reg. 37 substituted (31.12.2020) by [The Credit Institutions and Insurance Undertakings Reorganisation and Winding Up \(Amendment\) \(EU Exit\) Regulations 2019](#) (S.I. 2019/38), regs. 1(3), **2(12)** (with Pt. 3 Ch. 2) (as amended by S.I. 2020/1301, reg. 3, Sch. para. 13(g)(h)); 2020 c. 1, Sch. 5 para. 1(1)

**Changes to legislation:** *The Insurers (Reorganisation and Winding Up) Regulations 2004 is up to date with all changes known to be in force on or before 08 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

## Employment contracts and relationships

<sup>F100</sup>**38.** .....

### Textual Amendments

**F100** Reg. 38 omitted (31.12.2020) by virtue of [The Credit Institutions and Insurance Undertakings Reorganisation and Winding Up \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/38\)](#), regs. 1(3), **2(13)(a)** (with Pt. 3 Ch. 2) (as amended by [S.I. 2020/1301](#), reg. 3, Sch. para. 13(g)(h)); 2020 c. 1, Sch. 5 para. 1(1)

## Contracts in connection with immovable property

<sup>F101</sup>**39.** .....

### Textual Amendments

**F101** Reg. 39 omitted (31.12.2020) by virtue of [The Credit Institutions and Insurance Undertakings Reorganisation and Winding Up \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/38\)](#), regs. 1(3), **2(13)(b)** (with Pt. 3 Ch. 2) (as amended by [S.I. 2020/1301](#), reg. 3, Sch. para. 13(g)(h)); 2020 c. 1, Sch. 5 para. 1(1)

## Registrable rights

<sup>F102</sup>**40.** .....

### Textual Amendments

**F102** Reg. 40 omitted (31.12.2020) by virtue of [The Credit Institutions and Insurance Undertakings Reorganisation and Winding Up \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/38\)](#), regs. 1(3), **2(13)(c)** (with Pt. 3 Ch. 2) (as amended by [S.I. 2020/1301](#), reg. 3, Sch. para. 13(g)(h)); 2020 c. 1, Sch. 5 para. 1(1)

## Third parties' rights in rem

<sup>F103</sup>**41.** .....

### Textual Amendments

**F103** Reg. 41 omitted (31.12.2020) by virtue of [The Credit Institutions and Insurance Undertakings Reorganisation and Winding Up \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/38\)](#), regs. 1(3), **2(13)(d)** (with Pt. 3 Ch. 2) (as amended by [S.I. 2020/1301](#), reg. 3, Sch. para. 13(g)(h)); 2020 c. 1, Sch. 5 para. 1(1)

## Reservation of title agreements etc.

<sup>F104</sup>**42.** .....

### Textual Amendments

**F104** Reg. 42 omitted (31.12.2020) by virtue of [The Credit Institutions and Insurance Undertakings Reorganisation and Winding Up \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/38\)](#), regs. 1(3), **2(13)(e)** (with Pt. 3 Ch. 2) (as amended by [S.I. 2020/1301](#), reg. 3, Sch. para. 13(g)(h)); 2020 c. 1, Sch. 5 para. 1(1)

### Creditors' rights to set off

**43.—(1)** A relevant reorganisation or a relevant winding up shall not affect the right of creditors to demand the set-off of their claims against the claims of the affected insurer, where such a set-off is permitted by the <sup>F105</sup>law applicable to the affected insurer's claim].

<sup>F106</sup>(2) .....

(3) Paragraph (1) does not preclude actions for voidness, voidability or unenforceability of legal acts detrimental to creditors under the general law of insolvency of the United Kingdom, as referred to in regulation 37(3)(m).

### Textual Amendments

**F105** Words in [reg. 43\(1\)](#) substituted (31.12.2020) by [The Credit Institutions and Insurance Undertakings Reorganisation and Winding Up \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/38\)](#), regs. 1(3), **2(14)(a)** (with Pt. 3 Ch. 2) (as amended by [S.I. 2020/1301](#), reg. 3, Sch. para. 13(g)(h)); 2020 c. 1, Sch. 5 para. 1(1)

**F106** [Reg. 43\(2\)](#) omitted (31.12.2020) by virtue of [The Credit Institutions and Insurance Undertakings Reorganisation and Winding Up \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/38\)](#), regs. 1(3), **2(14)(b)** (with Pt. 3 Ch. 2) (as amended by [S.I. 2020/1301](#), reg. 3, Sch. para. 13(g)(h)); 2020 c. 1, Sch. 5 para. 1(1)

### Regulated markets

**44.—(1)** <sup>F107</sup>... The effects of a relevant reorganisation measure or winding up on the rights and obligations of the parties to <sup>F108</sup>UK regulated market] must be determined in accordance with the law applicable to that market.

(2) Paragraph (1) does not preclude actions for voidness, voidability or unenforceability of legal acts detrimental to creditors under the general law of insolvency of the United Kingdom, as referred to in regulation 37(3)(m).

<sup>F109</sup>(3) For the purposes of this regulation “UK regulated market” has the meaning given by point (13A) of Article 2(1) of Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012.]

### Textual Amendments

**F107** Words in [reg. 44\(1\)](#) omitted (31.12.2020) by virtue of [The Credit Institutions and Insurance Undertakings Reorganisation and Winding Up \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/38\)](#), regs. 1(3), **2(15)(a)(i)** (with Pt. 3 Ch. 2) (as amended by [S.I. 2020/1301](#), reg. 3, Sch. para. 13(g)(h)); 2020 c. 1, Sch. 5 para. 1(1)

**F108** Words in [reg. 44\(1\)](#) substituted (31.12.2020) by [The Credit Institutions and Insurance Undertakings Reorganisation and Winding Up \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/38\)](#), regs. 1(3),

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**2(15)(a)(ii)** (with Pt. 3 Ch. 2) (as amended by S.I. 2020/1301, reg. 3, Sch. para. 13(g)(h)); 2020 c. 1, Sch. 5 para. 1(1)  
**F109** Reg. 44(3) substituted (31.12.2020) by [The Credit Institutions and Insurance Undertakings Reorganisation and Winding Up \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/38\)](#), regs. 1(3), **2(15)(b)** (with Pt. 3 Ch. 2) (as amended by S.I. 2020/1301, reg. 3, Sch. para. 13(g)(h)); 2020 c. 1, Sch. 5 para. 1(1)

**Detrimental acts pursuant to the law of an EEA State**

<sup>F110</sup>**45.** . . . . .

**Textual Amendments**  
**F110** Reg. 45 omitted (31.12.2020) by virtue of [The Credit Institutions and Insurance Undertakings Reorganisation and Winding Up \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/38\)](#), regs. 1(3), **2(16)(a)** (with Pt. 3 Ch. 2) (as amended by S.I. 2020/1301, reg. 3, Sch. para. 13(g)(h)); 2020 c. 1, Sch. 5 para. 1(1)

**Protection of third party purchasers**

<sup>F111</sup>**46.** . . . . .

**Textual Amendments**  
**F111** Reg. 46 omitted (31.12.2020) by virtue of [The Credit Institutions and Insurance Undertakings Reorganisation and Winding Up \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/38\)](#), regs. 1(3), **2(16)(b)** (with Pt. 3 Ch. 2) (as amended by S.I. 2020/1301, reg. 3, Sch. para. 13(g)(h)); 2020 c. 1, Sch. 5 para. 1(1)

**Lawsuits pending**

<sup>F112</sup>**47.** . . . . .

**Textual Amendments**  
**F112** Reg. 47 omitted (31.12.2020) by virtue of [The Credit Institutions and Insurance Undertakings Reorganisation and Winding Up \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/38\)](#), regs. 1(3), **2(16)(c)** (with Pt. 3 Ch. 2) (as amended by S.I. 2020/1301, reg. 3, Sch. para. 13(g)(h)); 2020 c. 1, Sch. 5 para. 1(1)

**PART VI**  
**THIRD COUNTRY INSURERS**

**Interpretation of this Part**

**48.—(1)** In this Part—  
(a) “relevant measure”, in relation to a third country insurer, means

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- (i) a winding up;
  - (ii) an administration order made under paragraph 13 of Schedule B1 <sup>F113</sup>or under paragraph 14 of Schedule B1 to the 1989 Order];
- or
- (iii) a decision of the court to reduce the value of one or more of the insurer’s contracts, in accordance with section 377 of the 2000 Act;
- (b) “third country insurer” means a person—
- (i) who has permission under the 2000 Act to effect or carry out contracts of insurance <sup>F114</sup>other than by virtue of regulation 8 or 11 of the EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018]; and
  - (ii) whose head office is not in the United Kingdom <sup>F115</sup>....
- (2) In paragraph (1), the definition of “third country insurer” must be read with—
- (a) section 22 of the 2000 Act;
  - (b) any relevant order made under that section; and
  - (c) Schedule 2 to that Act.

**Textual Amendments**

**F113** Words in reg. 48(1)(a)(ii) added (6.4.2007) by [The Insurers \(Reorganisation and Winding Up\) \(Amendment\) Regulations 2007 \(S.I. 2007/851\)](#), regs. 1, **2(17)**

**F114** Words in reg. 48(1)(b)(i) inserted (31.12.2020) by [The Credit Institutions and Insurance Undertakings Reorganisation and Winding Up \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/38\)](#), regs. 1(3), **2(17)(a)**; 2020 c. 1, Sch. 5 para. 1(1)

**F115** Words in reg. 48(1)(b)(ii) omitted (31.12.2020) by virtue of [The Credit Institutions and Insurance Undertakings Reorganisation and Winding Up \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/38\)](#), regs. 1(3), **2(17)(b)**; 2020 c. 1, Sch. 5 para. 1(1)

**Application of these Regulations to a third country insurer**

49. Parts III, IV and V of these Regulations apply where a third country insurer is subject to a relevant measure, as if references in those Parts to a UK insurer included a reference to a third country insurer.

**Disclosure of confidential information: third country insurers**

<sup>F116</sup>50. ....

**Textual Amendments**

**F116** [Reg. 50](#) omitted (31.12.2020) by virtue of [The Credit Institutions and Insurance Undertakings Reorganisation and Winding Up \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/38\)](#), regs. 1(3), **2(18)**; 2020 c. 1, Sch. 5 para. 1(1)

**Changes to legislation:** *The Insurers (Reorganisation and Winding Up) Regulations 2004 is up to date with all changes known to be in force on or before 08 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

## PART VII

### REVOCATION AND AMENDMENTS

#### **Amendment of the Insurers (Winding Up) Rules 2001 and the Insurers (Winding Up) (Scotland) Rules 2001**

**51.**—(1) The Insurers (Winding Up) Rules 2001 <sup>M16</sup> (“the Winding Up Rules”) and the Insurers (Winding Up) (Scotland) Rules 2001 <sup>M17</sup> (“the Scottish Winding Up Rules”) are amended as follows—

(2) In Rule 24 paragraph 1A(b) of the Winding Up Rules (meetings of creditors) or “regulation 29 Insurers (Reorganisation and Winding Up) Regulations 2003 <sup>M18</sup>” substitute “[<sup>F117</sup>regulation 29 of the Insurers (Reorganisation and Winding Up) Regulations 2004]”,

(3) In Rule 24 (1A)(b) of the Winding Up (Scotland) Rules, for “regulation 28 of Insurers (Reorganisation and Winding Up) Regulations 2003 <sup>M19</sup>”, substitute “ regulation 28 of the Insurers (Reorganisation and Winding Up) Regulations 2004 ”.

#### **Textual Amendments**

**F117** Words in reg. 51(2) substituted (3.3.2004) by [The Insurers \(Reorganisation and Winding Up\) \(Amendment\) Regulations 2004 \(S.I. 2004/546\)](#), regs. 1, **2(6)**

#### **Marginal Citations**

**M16** S.I. 2001/3635.

**M17** S.I. 2001/4040, **paragraph 1A** was inserted into Rule 24 by S.I. 2003/1102.

**M18** S.I. 2003/1102.

**M19** S.I. 2003/1102.

#### **Financial Services and Markets Act 2000 (Administration Orders Relating to Insurers) Order 2002**

<sup>F118</sup>**52.** .....

#### **Textual Amendments**

**F118** [Reg. 52](#) revoked (1.2.2011) by [The Financial Services and Markets Act 2000 \(Administration Orders Relating to Insurers\) Order 2010 \(S.I. 2010/3023\)](#), arts. 1(1), **5(e)** (with art. 6)

#### **Revocation and Transitional**

**53.**—(1) Except as provided in this regulation, the Insurers (Reorganisation and Winding Up) Regulations 2003 are revoked.

(2) Subject to (3), the provisions of Parts III and IV shall continue in force in respect of decisions orders or appointments referred to therein and made before the coming into force of these Regulations.

(3) Where an administrator has been appointed in respect of a UK insurer on or after 15th September 2003, he shall be treated as being so appointed on the date these regulations come into force.

*Nick Ainger*  
*Joan Ryan*  
Two of the Lords Commissioners of Her  
Majesty's Treasury

**Changes to legislation:** *The Insurers (Reorganisation and Winding Up) Regulations 2004 is up to date with all changes known to be in force on or before 08 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations revoke and replace in their entirety the Insurers (Reorganisation and Winding Up) Regulations 2003 (SI 2003/1102) which implemented the directive of the Parliament and the Council on the reorganisation and winding up of insurance undertakings (2001/17/EC) for all UK insurers except Lloyd's. They take account of the changes to insolvency law brought about by the commencement of the Enterprise Act 2002 and in particular the new administration procedures in the new Schedule B1 to the Insolvency Act 1986. The Financial Services and Markets Act 2000 (Administration Orders Relating to Insurers) Order 2002 (SI 2002/1242) is amended to disapply paragraphs 14 and 22 of Schedule B1 because the reorganisation and winding up directive does not permit the appointment of an administrator other than by a court. These Regulations continue to provide that no winding up proceedings or voluntary arrangements in respect of EEA insurers can be undertaken in the UK except in the circumstances permitted by the Regulations. EEA reorganisation and winding up proceedings are to be recognised in the UK. Provisions are made for the exercise by EEA liquidators of their functions in the UK. Provision is made for the notification of reorganisation and winding up proceedings to competent authorities in other EEA Member States. Modifications are made to UK insolvency law in respect of notifications of various other matters including important stages in the relevant procedures and forms in which creditors in other EEA States may enter claims, to the FSA, EEA authorities and creditors. There are detailed changes from the provisions in the Regulations replaced with regard to administration and in particular to accommodate the ability for companies, Directors and holders of floating charges to appoint an administrator without a court order. The Regulations provide for the special order of priority for insurance debts created by the directive to apply to UK insurers and for the carrying through of the consequences of this in insolvency law. They make provision for application to insurers whose head office is outside the UK and the EEA. Provision is made for detailed amendment of existing secondary legislation including the insolvency rules in all UK jurisdictions dealing with the reorganisation or winding up of insurers.

**Changes to legislation:**

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**Changes and effects yet to be applied to :**

- Regulations revoked by [2023 c. 29 Sch. 1 Pt. 2](#)