



*The Professional
Indemnity Specialists*

Quinn Insurance update (19/04/2010) – welcome news! No action required.

As part of our promise to keep you informed, we can advise you that Quinn Insurance has decided not to oppose the administration and the business will now be controlled by the joint administrators with, no doubt, relevant input from stakeholders such as the licensing and regulatory authorities and government agencies. (The statement from the Irish Financial Regulator can be viewed at: www.financialregulator.ie/press-area/press-releases/Pages/Statement150410.aspx)

PYV applauds this decision by Quinn Insurance, which has clearly been taken in the interest of policyholders, because at this stage, it is fair to say many of those involved have more confidence in the focus and objectivity likely to be offered by a tightly-controlled, fresh management team.

Mr Justice Kearns, at the High Court hearing, said it was important to stress that part of the statutory function of the administrators was to carry on the business as a going concern with a view to placing it on a sound commercial footing.

Speaking on 16/04/2010 on RTÉ, the Irish television network, Mr Michael McAteer, the administrator said that his role, by law, is to manage the business, trade it as a going concern and ensure that it returns to a sound financial footing. "In that regard," he added, "all policyholders and customers can be assured that they can continue to do business with Quinn with complete and absolute confidence." Mr McAteer further said that, "Quinn Insurance has a good business model in certain respects and has been historically profitable and that The Financial Regulator has issues with the company's solvency issues and not its profitability."

The Solicitors Regulation Authority, in its statement of the 16th April 2010, said: "it understands that this type of administration under Irish Insurance legislation does not appear to amount to an insolvency event for the purposes of the Solicitors' Indemnity Insurance Rules in England and Wales. Therefore, there is no requirement at this stage for firms insured under Quinn to seek replacement Qualifying insurance." (The full statement from the Solicitors Regulation Authority can be viewed at: www.sra.org.uk/sra/news/Quinn-insurance.page)

The Financial Regulator and the Financial Services Authority (FSA) continue to state that all existing policies remained valid and that customers could make claims in the normal way.

It was also announced on 16/04/2010 that the administrators of Quinn Insurance have presented proposals to The Financial Regulator aimed at reopening part of the firm's UK business. The Regulator stated that they are going to give this prompt attention. All things considered this is encouraging.

We will continue to keep you closely informed but on the basis of the statements from your regulators, **no action is required**. Should you have any concerns or other instructions, please contact us:

Kind regards

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