HMRC - IPT10325 - Procedure Tables: Insolvent Insurers

If a LIPTO becomes aware that an insurer has entered into, or is about to enter into, a form of insolvency, they should:

establish who has been appointed to administer the affairs of the insolvent insurer;

establish the type of insolvency, e.g. liquidation, receivership or scheme of arrangement under Section 425 of the Companies Act 1985;

contact the local insolvency team advising them of the above information;

liaise with the local insolvency team to establish any liability due, and ensure a claim is lodged with the insolvency practitioner;

inform the local insolvency team urgently where a scheme of arrangement is proposed and a meeting of creditors called, so that they can consider voting at the meeting on whether to approve the terms of the arrangement.

Obviously, the insolvency of overseas insurers will present more problems than UK insurers, but the above procedures should still be followed as closely as possible. There may be a UK or EU-based agent who may be able to assist or provide information to the Department.

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