



1. ****Prioritization of Claims in Insolvency:**** Regulations ensure that the claims of the insured are prioritized in the event of an insurer's insolvency by establishing a hierarchy of claims. This hierarchy is designed to ensure that the claims of policyholders are given priority over other claims, such as those of creditors or other claimants. This prioritization is crucial because it ensures that the insured individuals receive the compensation they are entitled to under their insurance policies, even if the insurer is unable to meet its financial obligations due to insolvency.

2. ****Protection of Policyholder Interests:**** The regulations are designed to protect the interests of policyholders, who are typically the most vulnerable in the event of an insurer's insolvency. By prioritizing their claims, the regulations ensure that policyholders are not left without compensation when the insurer is unable to pay. This protection is particularly important for policyholders who have purchased insurance to cover significant financial risks, such as the loss of their home or business, or the risk of serious illness or death.

3. ****Role of the Regulator:**** The regulatory body responsible for overseeing the insurance industry plays a crucial role in ensuring that the claims of the insured are prioritized in the event of an insurer's insolvency. This involves setting up a system for the orderly resolution of insolvencies, which includes the establishment of a priority order for claims. The regulator also has the power to intervene in the event of an insolvency to ensure that the claims of policyholders are given priority.

4. ****Insolvency Proceedings:**** In the event of an insurer's insolvency, the regulatory body will oversee the insolvency proceedings. This involves the appointment of a liquidator or receiver, who will be responsible for managing the insurer's assets and distributing them to creditors and policyholders in accordance with the priority order established by the regulations. The insolvency proceedings will be conducted in a manner that ensures that the claims of policyholders are given priority, in line with the regulatory framework designed to

