

IN THE SUPREME COURT OF GIBRALTAR
CHANCERY JURISDICTION

2006 Comp. No. 25

IN THE MATTER of Eurolife Assurance (International) Limited

-and-

IN THE MATTER of the Companies Act

Wednesday the 14th day of November 2007

Before the Honourable Mr Justice Pitto

IN COURT

UPON THE PETITION of Eurolife Assurance Group Limited, a contributory of the above-named Eurolife Assurance (International) Limited, on the 23rd day of August 2007 preferred unto the Court

AND UPON HEARING Nicholas Howard Esquire of Counsel instructed by Messrs Hassans as solicitors for the petitioner, and Glen Davis Esquire of Counsel instructed by Hassans as solicitors for the provisional liquidators of the Company appointed by this Court on 23rd August 2006 (“the Joint Provisional Liquidators”)

AND UPON READING the report of the Provisional Liquidators as contained in the Affidavit of Frederick White dated 12th November 2007 as to the matters on which they were directed to report by the Order of the Honourable Mr Justice Schofield, Chief Justice herein dated 7th February 2007 (“the 7th February Order”), and the further evidence set out in the Schedule to this Order

AND UPON READING a letter dated 3rd October 2007 from Mr Richard Simms, one of the Provisional Liquidators

AND UPON READING letters from Christopher Collins of the Financial Services Commission dated 12th September 2007 and 12th November 2007

AND UPON the Application of the Official Receiver dated the 14th day of November 2007

AND UPON READING the Affidavit of Wendy Cumming dated the 14th day of November 2007 in support of that Application

IT IS ORDERED THAT:

1 The said Eurolife Assurance (International) Limited (“the Company”) be wound up by this Court under the provisions of the Companies Act, the Insurance Companies Act and the Insurers (Reorganisation and Winding Up) Act.

AND IT IS FURTHER ORDERED THAT:

2 The appointment of Mr Frederick White and Mr Richard Simms as Joint Provisional Liquidators of the Company under the order herein dated 23 August 2006 and continued by the 7th February Order be discharged:

- i) in respect of Mr Richard Simms, with immediate effect; and
- ii) in respect of Mr White, with effect from the time when he shall have notified to the Registrar his appointment under paragraph 5 below and given security as required under paragraph 6 below.

3 The Joint Provisional Liquidators and each of them be absolutely and unconditionally released from all liabilities in respect of their acts and omissions in the provisional liquidation and otherwise in relation to their conduct as Joint Provisional Liquidators of the Company with effect from 3 months from the date of this order (with liberty for interested parties to apply).

4 The remuneration of each of the Joint Provisional Liquidators (beyond those amounts already approved) is to be fixed by the Registrar by reference to the time properly

given by the Joint Provisional Liquidators and their staff in attending to the matters arising in the Provisional Liquidation of the Company.

- 5 Mr Frederick White of Grant Thornton (Gibraltar) Limited, 6A Queensway, Gibraltar (“the Liquidator”) be appointed Liquidator of the Company and have all the duties of the Official Receiver in the winding up of the Company for the purposes of the Companies Act
- 6 The Liquidator is to give security pursuant to Section 231(4) and Section 237(a) of the Companies Act
- 7 That the remuneration of the Liquidator shall be payable by reference to the time spent by him and the employees under his control on the basis of his firm’s usual commercial rates for the type of work involved, together with any expenses incurred in connection therewith pursuant to section 238(2) of the Companies Act.
- 8 The costs, remuneration and expenses of the Liquidator are to be paid out of the assets of the Company and may be paid from assets which were or should have been maintained in respect of long-term insurance business.

AND IT IS FURTHER ORDERED AND DIRECTED THAT:

- 9 For the purposes of comparing the actuarial valuation of the long term liabilities of the Company as at 23rd August 2006 (“the Earlier Date”) and 14th November 2007 (“the Later Date”), and otherwise as required for the purposes of the liquidation of the Company:
 - i) The interest rate to be assumed is to be 2.9%;
 - ii) The rate of investment return for unit-linked funds between the Earlier Date and the Later Date is to be assumed to be 2.9%;
 - iii) the mortality rate to be assumed is to be the same as was assumed in the statutory valuation of the Company’s actuarial liabilities as at 30th September 2005.
- 10 The “Sickness and Accident” policies sold by the Company (as described in paragraph A1 of Appendix A to the

Actuarial Report exhibited at FW 4) are to be treated in the winding-up of the Company as part of the long term business of the Company.

- 11 The Liquidator is to stop carrying on the long term business of the Company with immediate effect.
- 12 Paragraphs 6, 7 and 9, and the Annex of the 7th February Order are to continue to apply for the purposes of the winding-up of the Company, with the following amendments:
 - ii) References to “Provisional Liquidators” or “a Provisional Liquidator” are to be read as references to the Liquidator;
 - iii) The definition of “liquidation date” in paragraph 1(1) of Part 1 of the Annex is to be changed to the date of this order;

and the value of the long term policies issued by the Company is to be determined as at the date of this order in accordance with Part 5 of the Annex to the 7th February Order, using the interest rate, rate of investment return and mortality rate applied under paragraph 9 of this order.

AND THAT

- 12 The costs of the Petitioner be subject to assessment and be paid out of the assets of the Company.


Registrar

NOTE: It will be the duty of such of the persons as are liable to make out or to concur in making out a statement of affairs as the Official Receiver may require to attend on the Official Receiver at such time and place as the Official Receiver may appoint and to give her all the information she may require.

Schedule

- a The First Affidavit of Richard Simms sworn on 22nd August 2007 verifying the Petition
- b The Second Affidavit of Richard Simms sworn on 22nd August 2007
- c The First Affidavit of Frederick White sworn on 5th February 2007
- d The Second Affidavit of Frederick White sworn on 12th November 2007
- e The Actuarial Report of Mr Tony Leandro of Barnett Waddingham LLP to the provisional liquidators of the Company dated 9th November 2007, regarding the actuarial valuation of liabilities at 23rd August 2006 and 14th November 2007
- f the Gibraltar Gazette dated 25th January 2007 and the Gibraltar Chronicle dated 30th January 2007 and each containing an advertisement of the said Petition, and the Registrar's Memorandum dated 5th February 2007
- g the Gibraltar Gazette dated 1st November 2007 and the Gibraltar Chronicle dated 2nd November 2007 and each containing an advertisement of the said Petition, and the Registrar's Memorandum dated 12th November 2007