



To all known policyholders, brokers, intermediaries and agents who have placed business with Stronghold Insurance Company Limited – in administration

4 July 2019

Our ref: LEC.STRONGHOLD INSURANCE.040719

Dear Sirs,

Stronghold Insurance Company Limited - in administration (“the Company”)

Why you’ve received this letter

I was appointed joint administrator of Stronghold Insurance Company Limited, together with my colleague Dan Schwarzmann, by the High Court on 27 June 2019 under paragraph 12 of Schedule B1 of the Insolvency Act 1986. Formal notice of our appointment is enclosed.

To assist you in establishing whether you may be a creditor of the Company, please refer to particulars of the business written by the Company during its active underwriting life which are detailed in Appendix A.

We will shortly be issuing our statement of proposals to creditors explaining the purpose of the administration and how we expect it to be achieved. We will also provide more detail on the Company, reasons for its insolvency and likely outcome for creditors.

This letter is being sent to all known policyholders, brokers, intermediaries and agents who have placed business with the Company. Brokers, intermediaries and agents are requested to send copies of this letter to all their clients who have or may have claims against the Company.

Administration

The powers and duties of an administrator are set out in the Insolvency Act 1986 which has the effect of passing management and control of the Company to an independent insolvency practitioner. Administrators must perform their functions with the objectives of:

- (a) rescuing the Company as a going concern; or
- (b) achieving a better result for the Company’s creditors as a whole than would be likely if the Company were wound up first; or
- (c) realising property in order to make a distribution to one or more secured or preferential creditors.

Our appointment means that you cannot start or continue legal action, enforce security or repossess any goods held by the Company unless we agree or the court allows it.

*PricewaterhouseCoopers LLP, Central Square, 29 Wellington Street, Leeds, LS1 4DL
T: +44 (0) 1132 894 000, F: +44 (0) 1132 894 460, www.pwc.co.uk*

PricewaterhouseCoopers LLP is a limited liability partnership registered in England with registered number OC303525. The registered office of PricewaterhouseCoopers LLP is 1 Embankment Place, London WC2N 6RH. PricewaterhouseCoopers LLP is authorised and regulated by the Financial Conduct Authority for designated investment business.



The moratorium imposed by the administration order will allow me to work with the Company to focus on ascertaining its true financial position and on promoting a solution for the benefit of all creditors without threat of action being taken by individual creditors.

The Insurers (Reorganisation and Winding Up) Regulations 2004

The insurers (Reorganisation and Winding Up) Regulations 2004 apply to the Company which is a UK insurer.

The effect of the Regulations is that direct policyholders are given priority to other classes of creditor including cedants who have reinsured with the Company.

Early steps

Following my appointment I have:

- Secured the cash assets and investments of the Company and brought them under my control;
- Identified other assets of the Company;
- Commenced steps to determine whether an application for recognition of the administration in the US under Chapter 15 of the US Bankruptcy Code would be beneficial for creditors; and
- Initiated an examination of the current financial position of the Company.

Amounts due to creditors at the date of administration

Please return a completed statement of claim form showing the amounts due to you as at 27 June 2019 to our Leeds address (at the footer of page 1). A copy of our claim form is enclosed with this letter and creditors can also find a claim form at our webpage www.pwc.co.uk/stronghold.

Creditors whose claims include VAT may be able to obtain VAT bad debt relief six months after the taxable supply. If you are not familiar with the procedure you should contact your local VAT office.

Claims agreement and payment

I should be grateful if policyholders and brokers would continue to send correspondence on individual claims or other matters to the Company's offices as detailed at the end of this letter.

If you are a policyholder that has a Coverage-In-Place Agreement in which Stronghold Insurance Company Limited participates, you should send all future billings to Andrew Gregory at the Company's offices. The Company will no longer receive any billings from the attorney firm that you usually send the billings to.

At this time, it is not possible to predict the proportion of each policyholder's agreed claims that will ultimately be paid by the Company.

Broker accounts

From the date of administration all authority for brokers to account on a net basis with the Company is withdrawn. All accounting involving the Company should now be on a principal to principal basis.



There should be no netting off of sums of any nature collected by brokers on behalf of the Company against payments due from the Company to any other policyholder or any other creditors of any nature with whom brokers do business, whether in respect of claims, premiums, expenses or otherwise. Accordingly, brokers who have collected reinsurance or other amounts on behalf of the Company should remit such amounts to me as soon as possible.

Identification of policyholders

We are in the process of working with the Company's staff to update and maintain the register of all the names and addresses of policyholders. This information is often maintained by brokers, intermediaries and agents on behalf of the Company and I should be grateful for their assistance in this regard. To the extent necessary, I will shortly be contacting brokers, intermediaries and agents to detail the exact nature of the information required.

Your rights as creditors

You can find information on administrators' fees and your rights at:

http://www.icaew.com/~media/corporate/files/technical/insolvency/creditors%20guides/2015/guide_to_administrators_fees_oct_2015.ashx

Please contact Helena Perevalova on +44 (0) 113 288 2046 or at helena.perevalova@pwc.com if you'd like a paper copy free of charge or have any questions.

Finally, you also have the right to opt out of receiving further documents relating to these proceedings. Please see the attached sheet "Information provided to creditors on opting out in accordance with Rule 1.39" for full details.

The right to opt out only applies to documents required by the Insolvency Act 1986 or the Insolvency (England and Wales) Rules 2016 to be delivered to creditors generally or to a particular class of creditors. It does not apply to documents or correspondence sent to people in a capacity other than as creditor (e.g. as an employee) or to correspondence sent to individual creditors.

Any formal opt out request should be sent to Helena Perevalova at the address listed above or by e-mail to: creditorenquiries@uk.pwc.com.

How we report to creditors

As administrators we are required to prepare and send out our proposals setting out how we intend to achieve the purpose of administration within eight weeks of our appointment. We will circulate our proposals as soon as possible.

Directors' conduct

One of our duties is to look at the actions of anybody who has been a director of the Company in the three years before our appointment. We are also required to decide whether any action should be taken against anyone to recover or contribute to the Company's assets. If you think there is something we should know about, please complete the relevant section of the attached proof of debt form or write



to me at this address. This is part of our normal work and doesn't necessarily imply any criticism of the directors' actions.

Further queries

As mentioned above, I should be grateful if policyholders, brokers, intermediaries and agents would continue to send correspondence on individual claims, or other policy matters, to the Company's offices in the first instance. The Company's correspondence address is:

Andrew Gregory
Stronghold Insurance Company Limited – in administration
46 Rose Lane
Norwich
NR1 1PN
United Kingdom

Correspondence or queries for the joint administrators should be sent to our Leeds address (at the footer of page 1) or alternatively to the following members of my team:

John Baker Email: john.x.baker@pwc.com

Robert Kerr Email: robert.d.kerr@pwc.com

Yours faithfully
For and on behalf of the Company

A handwritten signature in black ink, appearing to read 'PP R. Lynch'.

Alexander Lynch
For Nigel Rackham
Joint Administrator

Enclosures: AMO1 / EU notification of appointment
 Proof of debt form
 Information provided to creditors on opting out

Dan Yoram Schwarzmann and Douglas Nigel Rackham have been appointed as Joint Administrators of Stronghold Insurance Company Limited to manage its affairs, business and property as agents and without personal liability. Dan Yoram Schwarzmann and Douglas Nigel Rackham are all licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales.

Stronghold Insurance Company Limited is authorised by the Prudential Regulation Authority and regulated by the Prudential Regulation Authority and the Financial Conduct Authority, reference number 202552.

The Joint Administrators are bound by the Insolvency Code of Ethics which can be found at: <https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>.



The Joint Administrators may act as controllers of personal data as defined by UK data protection law depending upon the specific processing activities undertaken. PricewaterhouseCoopers LLP may act as a processor on the instructions of the Joint Administrators. Personal data will be kept secure and processed only for matters relating to the Joint Administrators' appointment. Further details are available in the privacy statement on the PwC.co.uk website or by contacting the Joint Administrators.



Appendix A – Particulars of business

During the Company's active underwriting life, it wrote direct and reinsurance USA Casualty business either by way of Treaty Excess of Loss to the London Market and USA companies, or by way of Surplus Line insurance. The underwriting of the Company was directed by Donald Fox and initially it wrote exclusively non-proportional and reinsurance business. The Company wrote its first risk on 31 October 1962. With effect from 5 July 1965, the Company formed an association with Eagle Star to cede a fixed percentage of its casualty facultative book of business to Eagle Star. This "Quota Share Agreement" enabled the Company to operate as a London Market Company Lead. This arrangement with Eagle Star ceased by 1968. By 1970, the Company made the decision to extend its activities into certain selected areas of proportional treaty business. For many years the Company had provided fronting facilities to companies who were otherwise unable to write certain classes of business. These included Turegum from 1962 to 1969 inclusive, and the R.W. Gibbon & Son Agency Companies.

From the early 1980s, the Company began to experience an increase in notifications in respect of asbestos-related and environmental pollution claims emanating from the USA arising from policies written in the 1960s, 1970s and 1980s. As a consequence, the Company, for all practical purposes, ceased underwriting at the end of 1984 with only limited business being written in 1985 where there had been a contractual obligation in force to renew.

AM01

Notice of administrator's appointment



Companies House

For further information, please refer to our guidance at www.gov.uk/companieshouse

1 Company details

Company number	0	0	7	3	6	5	8	1
Company name in full	Stronghold Insurance Company Limited							

→ Filling in this form
Please complete in typescript or in bold black capitals.

2 Court details

Court name	The High Court of Justice													
	Business and Property Courts of England and Wales													
Court number	C	R	-	2	0	1	9	-	0	0	3	8	8	2

3 Administrator's name

Full forename(s)	Dan Yoram										
Surname	Schwarzmann										

4 Administrator's address

Building name/number	7 More London Riverside										
Street											
Post town	London										
County/Region											
Postcode	S	E	1		2	R	T				
Country	UK										

5 Administrator's email address or telephone number ^①

Email address	chris.sykes@pwc.com										
Telephone number	0113 289 4000										

① You must give an email address or telephone number. All information on this form will appear on the public record.

6 Insolvency practitioner number

Insolvency practitioner number	8	9	1	2							
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AM01

Notice of administrator's appointment

7	Administrator's name ①	
Full forename(s)	Douglas Nigel	① Other administrator Use this section to tell us about another administrator.
Surname	Rackham	


8	Administrator's address ②	
Building name/number	7 More London Riverside	② Other administrator Use this section to tell us about another administrator.
Street		
Post town	London	
County/Region		
Postcode	S E 1 2 R T	
Country	UK	

9	Administrator's email address or telephone number ③	
Email address	chris.sykes@pwc.com	③ You must give an email address or telephone number. All information on this form will appear on the public record.
Telephone number	0113 289 4000	

10	Insolvency practitioner number	
Insolvency practitioner number	8 6 7 3	

11	Statement of appointment	
	I confirm the appointment of the administrator(s) on	
Date	^d 2 ^d 7 ^m 0 ^m 6 ^y 2 ^y 0 ^y 1 ^y 9	

12	Name of person, body or court appointing administrator	
Person, body or court name	The High Court of Justice	
	Business and Property Courts of England and Wales	

13	Sign and date	
Administrator's signature	Signature X  X	
Signature date	^d 0 ^d 1 ^m 0 ^m 7 ^y 2 ^y 0 ^y 1 ^y 9	

AM01

Notice of administrator's appointment

Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **Chris Sykes**

Company name **PricewaterhouseCoopers LLP**

Address **Central Square**

8th Floor

29 Wellington Street

Post town **Leeds**

County/Region

Postcode

L	S	1	4	D	L
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Country **UK**

DX

Telephone **0113 289 4000**

Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- The company name and number match the information held on the public Register.
- You have signed and dated the form.

Important information

All information on this form will appear on the public record.

Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

Stronghold Insurance Company Limited - In administration (“the Company”)

Notice to creditor in EU Member State	Language
Предявяване на вземания	Bulgarian
Presentación de créditos	Spanish
Přihláška pohledávky	Czech
Anmeldelse af fordringer	Danish
Forderungsanmeldung	German
Nõuete esitamine	Estonian
Αναγγελία απαιτήσεων	Greek
Lodgement of claims	English
Production de créances	French
Taisceadh éileamh	Irish
Prijava tražbina	Croatian
Insinuazione di crediti	Italian
Prasījumu iesniegšana	Latvian
Reikalavimų pateikimas	Lithuanian
Követelések előterjesztése	Hungarian
Tressiq ta' pretensjonijiet	Maltese
Indiening van schuldvorderingen	Dutch
Zgłoszenie wierzytelności	Polish
Reclamação de créditos	Portugese
Depunerea cererilor de admitere a creanțelor	Romanian
Prihláška pohľadávok	Slovak
Prijava terjatev	Slovenian
Saatavien ilmoittaminen	Finnish
Anmälan av fordringar	Swedish

There is currently no deadline set for submission of claims.

**Stronghold Insurance Company Limited - in Administration (“the Company”)
Proof of debt**

Please complete and return this form with supporting documentation as soon as possible to Nigel Rackham, Joint Administrator, PricewaterhouseCoopers LLP, 8th Floor, Central Square, 29 Wellington Street, Leeds, Ls1 4DL

Creditors whose claims are secured or preferential (in part or in whole) should provide details of their claim to the above address. However, they need not use this claim form.

1) Name of creditor	
2) Address of creditor for correspondence	
3) Registered number (if creditor is a company)	
4) Total amount of your claim (including VAT) and outstanding uncapitalised interest at the date the administration commenced*	£
5) Total value (including VAT) of any monies owed by you to the company in administration	£
6) Total amount of any payments received by you in relation to the claim after the administrators' appointment	£
7) If the amount in 4) includes outstanding uncapitalised interest, please state amount	£
8) Particulars of how and when the debt was incurred (please attach a continuation sheet if more space is needed)	
9) Particulars of any security held, the value of the security and the date it was given	
10) Particulars of any reservation of title claimed in respect of goods supplied to which the claim relates	
11) Details of any documents by reference to which the debt can be substantiated	
12) Particular matters relating to the company's purchase of goods and services from you or any other matters that you feel should be reviewed (please provide on a separate sheet if needed)	
Signature of creditor or person authorised to act on behalf of the creditor	
Name in block capitals	
Position with or relation to the creditor (e.g. director, company secretary, solicitor)	
Address of person signing (if different from 2 above)	
Date	

For office holder's use only

<i>If applicable</i> Admitted to vote for: £	<i>If applicable</i> Admitted for dividend for: £
Date	Date
Signed	Signed
Name	Name

* You must deduct any trade or other discounts which would have been available to the company but for its administration, except any discount for immediate, early or cash settlement

The Insolvency (England and Wales) Rules 2016 (“IR16”)

Information provided to creditors on opting out in accordance with Rule 1.39

As part of our first communication with you, we are required to inform you about your right to elect to opt out of receiving further documents relating to these proceedings as follows:

You have the right to elect to opt out of receiving further documents about these proceedings unless:

- (a) the Insolvency Act 1986 requires a document to be delivered to all creditors without expressly excluding opted-out creditors;
- (b) it is a notice relating to a change in the office-holder or the office-holder’s contact details, or;
- (c) it is a notice of a dividend or proposed dividend or a notice which the court orders to be sent to all creditors or all creditors of a particular category to which the creditor belongs.

Any election to opt out will not affect a creditor’s entitlement to receive dividends, should any be paid to creditors. Similarly, unless IR16 provide to the contrary, opting-out will not affect any right the creditor may have to vote in a decision procedure or participate in a deemed consent procedure in these proceedings, although the creditor will not receive notice of it.

If a creditor opts out, they will be treated as having opted out in respect of any consecutive insolvency proceedings of a different kind in respect of the same company.

A creditor can opt out at any time by delivering written notice to the office holder at the postal address noted in the covering correspondence or by e-mail to: creditorsenquiries@uk.pwc.com. The notice must be authenticated in accordance with rule 1.5 IR16 and dated by the creditor. A creditor will be treated as an opted-out creditor as soon as reasonably practicable after delivery of the creditor’s election to opt out.

An election to opt out can be revoked at any time by delivering a further notice to the office-holder in writing, authenticated and dated by the creditor. A creditor ceases to be an opted-out creditor from the date the notice is received by the office holder.

Should you have any questions on this process, please use the contact details in the covering correspondence.