

*To policyholders and claimants in the UK*

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**Qudos Insurance A/S in bankruptcy - CVR no. 33956967 - notification of bankruptcy**

The bankruptcy division of the Maritime and Commercial High Court, Copenhagen, Denmark, commenced bankruptcy proceedings against Qudos Insurance A/S ("**Qudos**") by order of 20 December 2018. I, Boris Frederiksen, Attorney, was appointed trustee by the bankruptcy court.

**The bankruptcy will cause some changes to your insurance conditions.**

**1. WHAT MUST YOU DO?**

The bankruptcy will involve a change to certain former rights under your insurance policy and to your insurance cover.

The bankruptcy will cause your insurance with Qudos to terminate 3 months after the bankruptcy has been published in the Danish Official Gazette (*Statstidende*). This means that your insurance is valid until and including 28 March 2019, see para 2 below.

In a number of cases you are entitled to coverage of return premium and compensation for claims by a national guarantee fund or by the Danish Guarantee Fund for Non-Life Insurance Companies (the "**Danish Guarantee Fund**"), see for more detail para 3 below. Return premium is the portion of your advance premium that relates to the part of the agreed coverage period which no longer applies due to the bankruptcy.

If the guarantee funds do not cover your return premium and claim, you may report the claim to the bankruptcy estate, see paras 4 and 5 below.

The processing of your claim will to the extent possible continue with the current claims handlers in accordance with the procedure indicated in your insurance policy. **For further information in this respect, reference is made to the bankruptcy estate's website [www.qudosinsurance.dk](http://www.qudosinsurance.dk), where the trustee will regularly provide information about the procedure for reporting claims for individual policyholders, depending on the type of insurance and country of residence.**

It is important to note that you will only be covered by guarantee fund schemes, if any, for a short period of time, and you are therefore advised to take out new insurance as soon as possible.

Your rights are specified in more detail in the following paragraphs.

## **2. TERMINATION OF YOUR INSURANCE**

**The bankruptcy will have the effect that your insurance will terminate 3 months after the bankruptcy order was published in the Danish Official Gazette (on 28 December 2018), i.e. at the expiry of 28 March 2019.**

Please note that this means that your insurance will remain valid and cover claims occurred until and including 28 March 2019, whereupon your insurance will expire.

If your insurance should automatically expire before 28 March 2019, the bankruptcy will have the effect that any provisions on automatic renewal of the insurance will become void, which means that the insurance contract will not be automatically renewed. Furthermore, changes in the scope of cover of your insurance, including an extension of the scope of cover, cannot take place.

Please note that the cover provided by your insurance is in any case subject to considerable uncertainty. This is due to the fact that the bankruptcy estate does not pay out compensation for claims, see for further detail para 4 below.

Compensation for claims will therefore only be paid if the claim is included in the scope of cover of the Danish Guarantee Fund and the claim has been reported within a limited period of time, see para 3.1, or the scope of cover of other national guarantee funds, see para 3.2.

You are therefore advised to take out new insurance as soon as possible.

At the website [www.qudosinsurance.dk](http://www.qudosinsurance.dk), an overview of the individual types of insurance will be provided soonest possible with information on whether the various types of insurance are included in the scope of cover of the Danish Guarantee Fund or included in the scope of cover of other national guarantee funds.

### 3. GUARANTEE FUNDS

Your claim for return premium and compensation for claims will in many cases be covered by a guarantee fund, see more below. Reference is also made to the bankruptcy estate's website [www.qudosinsurance.dk](http://www.qudosinsurance.dk), which will soon be updated with an overview of the various insurance products as well as information on whether your claim for return premium and claims, if any, will be covered by a guarantee fund.

#### 3.1 The Danish Guarantee Fund

##### 3.1.1 Claims

The Danish Guarantee Fund provides the possibility of coverage of claims that have not been compensated due to the bankruptcy of a non-life insurance company. Pursuant to section 5(1) of Consolidation Act no. 1050 of 8 September 2017, the Danish Guarantee Fund covers the following:

1. Policyholders with private insurances (typically consumer Insurances as motor liability insurance, home and personal protection insurance, homeowner's insurance, second home insurance, accident insurance or similar private insurances)
2. third parties insured against personal injury or damage to property under motor liability policies (regardless of whether they have been taken out for commercial purposes)
3. third parties insured against personal injury under any other liability policies (regardless of whether they have been taken out for commercial purposes)
4. policyholders and those insured under collective insurances to the extent that an insurance corresponds to the individual insurances covered
5. policyholders with property fire insurances regardless of the type of property and class of policyholders (the purpose of this provision is to ensure indemnification of creditors with a recorded real-property mortgage in case of fire on property on which they hold a mortgage. Therefore, coverage of damage caused by fire is not limited to consumer insurance, i.e. one- or two-family houses or second homes, as the Danish Guarantee Fund also covers fire damage to commercial properties etc.).

The Danish Guarantee Fund provides cover for uncovered claims that occurred not later than 4 weeks after this notice was published, see section 5(2), 1st sentence of Consolidation Act no. 1050 of 8 September 2017, i.e. **not later than the 7 February 2019.**

Please note that there is no excess on claims other than the excess stated in your insurance policy.

For further information as to which claims are covered by the Danish Guarantee Fund, reference is made to [www.skadesgarantifonden.dk](http://www.skadesgarantifonden.dk). The website also provides information in English. At the website [www.qudosinsurance.dk](http://www.qudosinsurance.dk), an overview of the individual types of insurance

will furthermore be provided soonest possible with information on whether these claims are covered by the Danish Guarantee Fund.

Claims to be covered by the Danish Guarantee Fund must be reported as soon as possible and not later than 6 months after the bankruptcy order was published (20 December 2018), see section 6(1), 1st sentence of Consolidation Act no. 1050 of 8 September 2017, i.e. not later than 20 June 2019.

In addition to the time-limit of 6 months for reporting claims, you must observe the usual limitation periods as well as the time-limits stipulated in your insurance policy.

**With respect to the procedure for reporting claims covered by the Danish Guarantee Fund, please see para 4.**

### ***3.1.2 Return premium***

The Danish Guarantee Fund covers claims for return premiums less an excess of DKK 1,000 per policy for certain types of insurance.

Return premium is the portion of your advance premium that relates to the part of the agreed coverage period which no longer applies due to the bankruptcy.

The Danish Guarantee Fund covers the return premium to the following:

1. Policyholders with private insurances (typically consumer Insurances as motor liability insurance, home and personal protection insurance, houseowner's insurance, second home insurance, accident insurance or similar private insurances)
2. policyholders and those insured under collective insurances to the extent that an insurance corresponds to the individual insurances covered
3. policyholders with property fire insurances regardless of the type of property and class of policyholders (the purpose of this provision is to ensure indemnification of creditors with a recorded real-property mortgage in case of fire on property on which they hold a mortgage. Therefore, coverage of damage caused by fire is not limited to consumer insurance, i.e. one- or two-family houses or second homes, as the Danish Guarantee Fund also covers fire damage to commercial properties etc.).

**Please note that the Danish Guarantee Fund does not cover claims for return premium on the following types of insurance:**

1. Commercial insurance;
2. Insurance originally taken out and paid for by a commercial operator;
3. Insurance taken out and paid for by a fund, a group or similar associations.

At the website [www.qudosinsurance.dk](http://www.qudosinsurance.dk), an overview of the individual types of insurance will be provided soonest possible with information on whether the Danish Guarantee Fund covers return premium on the various types of insurance.

Claims for return premium of DKK 1,000 per policy or less will automatically be recorded in the register of debts and claims of the bankruptcy estate, see para 5 below.

**With respect to the procedure for reporting return premium covered by the Danish Guarantee Fund, please see para 5.**

### **3.2 The Financial Compensation Scheme**

The bankruptcy estate is currently in contact with the English guarantee fund, the Financial Services Compensation Scheme (FSCS), about your scope of coverage as well as the process of payment of compensation for claims covered by the FSCS. New claims are still to be reported to the relevant claims handler in accordance with the procedure stated in your insurance policy. For further information on the FSCS, please see [www.fscs.org.uk](http://www.fscs.org.uk).

## **4. REPORTING OF CLAIMS**

**All claims, whether covered by the Danish Guarantee Fund or other national guarantee fund schemes, must be reported in accordance with the procedure stated in your insurance policy.**

All insurance will terminate after the 28 March 2019. Claims occurred after the termination date will not be covered. Please note that the Danish Guarantee Fund only provides cover for certain claims for a limited period of time.

If you have already reported your claim to the claims handler before the bankruptcy order was published on 20 December 2018, your claim will be considered reported to the Danish Guarantee Fund and the bankruptcy estate. If so, you do **not** have to report the claim again.

The same applies if, after the bankruptcy, you have reported a claim to a claims handler and received a receipt in this respect. If so, you do **not** have to report the claim again.

As mentioned above, new claims must initially be reported in accordance with the procedure described in your insurance policy and **not** directly with the Danish Guarantee Fund or the bankruptcy estate.

The processing of the claim will initially take place by the claims handler. The further processing of your claim will depend on whether the claim is covered by the Danish Guarantee Fund or whether it is to be recorded in the register of debts and claims of the bankruptcy estate, see further below.

#### 4.1 Claims covered by the Danish Guarantee Fund

If your claim is included in the scope of cover of the Danish Guarantee Fund, see para 3.1, the claims handler will report the claim directly to the Danish Guarantee Fund, which will then transfer funds to the claims handler so that the claims handler can pay the compensation to you.

You should expect a period of 1-2 months before the Danish Guarantee Fund has set up a payment flow with the respective claims handlers. Hence, you will only receive compensation for your claim when the payment flow has been set up.

#### 4.2 Claims outside the scope of cover of the Danish Guarantee Fund and other national guarantee funds

If your claim is not covered by the Danish Guarantee Fund or another national guarantee fund, the claims handler will report your claim to the bankruptcy estate after having approved it.

You will then receive confirmation of the claim having been recorded in the register of debts and claims of the bankruptcy estate. You should expect a long processing time, since the bankruptcy estate receives many inquiries.

The claim must then await final examination and subsequent distribution of dividends at the closing of the estate. Dividends are the proportionate share received by a creditor where all claims are not covered in full. Full coverage by the bankruptcy estate cannot be expected.

You should expect a period of some years before the distribution of dividends.

#### 4.3 Claims rejected

If the claims handler rejects your claim, you may report the claim to the bankruptcy estate and the Danish Guarantee Fund on a web form which will be made available at Qudos' website [www.qudosinsurance.dk](http://www.qudosinsurance.dk) during February 2019. The reporting of the claim via the web form will help ensure that the bankruptcy estate and the Danish Guarantee Fund receive all relevant information enabling them to process your claim.

However, you should expect that the bankruptcy estate and the Danish Guarantee Fund will reject your claim in accordance with the decision of the claims handler.

As soon as possible after the receipt of your report via the web form you will receive confirmation of receipt.

### 5. REPORTING OF CLAIMS FOR RETURN PREMIUM

Irrespective of whether the claim for return premium is covered by the Danish Guarantee Fund, the claim must be reported via a web form on the [www.qudosinsurance.dk](http://www.qudosinsurance.dk) website,

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which will be made available during February 2019. The web form will help provide the necessary information for the reporting of your return premium.

Claims for return premium should never be reported to the claims handler.

**If you have entered into an agreement with a premium financier or broker regarding the financing of your insurance, please consult your insurance broker or premium financier before reporting a claim for return premium via the web form as they may be able to assist and/or have already reported a claim for return premium on your policy.**

If you are included in the scope of cover of the Danish Guarantee Fund, you will receive this part of the claim from the Danish Guarantee Fund. Other return premium claims will automatically be recorded in the register of debts and claims of the bankruptcy estate, including the excess of DKK 1,000. Consequently, you do not need to report the claim several times.

You should expect a long processing time after reporting your claim for return premium, since the bankruptcy estate and the Danish Guarantee Fund receive many inquiries due to the bankruptcy.

Please note that no time-limits apply for reporting claims for return premium to the Danish Guarantee Fund or the bankruptcy estate other than the time-limits stipulated in the insurance policy and the general rules on limitation periods. It is recommended, however, that the reporting of the claim for return premium be made within the year of 2019 as the Danish Guarantee Fund disburses payment on an ongoing basis.

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It is recommended that you keep an eye on the bankruptcy estate's website [www.qudosinsurance.dk](http://www.qudosinsurance.dk), which will be regularly updated on the status of the bankruptcy proceedings, overviews of types of insurance included in the scope of cover of the Danish Guarantee Fund and information on the claims processing.

Furthermore, web forms will be made available in the beginning of February 2019 for reporting of claims, including claims for return premium and rejected claims for claims.

*Yours sincerely*

by: Boris Frederiksen  
– Partner, Attorney