
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations implement the directive of the Parliament and the Council on the reorganisation and winding up of insurance undertakings (2001/17/EC) for all UK insurers except Lloyd's. These Regulations provide that as from 20 April 2003, no winding up proceedings or voluntary arrangements in respect of EEA insurers can be undertaken in the UK except in the circumstances permitted by the Regulations. EEA reorganisation and winding up proceedings are to be recognised in the UK. Provisions are made for the exercise by EEA liquidators of their functions in the UK. Provision is made for the notification of reorganisation and winding up proceedings to competent authorities in other EEA Member States. Modifications are made to UK insolvency law in respect of notifications of various other matters including important stages in the relevant procedures and forms in which creditors in other EEA States may enter claims, to the FSA, EEA authorities and creditors. The Regulations provide for the special order of priority for insurance debts created by the directive to apply to UK insurers and for the carrying through of the consequences of this in insolvency law. They make provision for application to insurers whose head office is outside the UK and the EEA. Provision is made for detailed amendment of existing secondary legislation including the insolvency rules in all UK jurisdictions dealing with the reorganisation or winding up of insurers.