

SCHEDULE

Article 2

MODIFICATIONS OF PART III OF THE 1989 ORDER IN RELATION TO INSURERS

1. In paragraph 50(4) of Schedule B1 to the 1989 Order (administrator’s proposals)—
 - (a) at the end of paragraph (b) omit “and”; and
 - (b) at the end of paragraph (c) add “and, (d) to the Financial Services Authority”.
2. In paragraph 54(2) of Schedule B1 to the 1989 Order (business and result of initial creditors’ meeting) in paragraph (b) after “the registrar,” add, “(ba) the Financial Services Authority,”.
3. In paragraph 55(2)(b) of Schedule B1 to the 1989 Order (revision of the administrator’s proposals), after “creditor” insert “and the Financial Services Authority”.
4. In paragraph 77(1) of Schedule B1 to the 1989 Order (automatic end of administration), for “one year” substitute “30 months”.
5. In paragraph 77(2)(b) of Schedule B1 to the 1989 Order (extension of administrator’s term of office by consent) for “6” substitute “12”.
6. In paragraph 80(1) of Schedule B1 to the 1989 Order (court ending administration on application of administrator), after the first reference to “company” insert “or the Financial Services Authority”.
7. In paragraph 92(1) of Schedule B1 (supplying vacancy in office of administrator)—
 - (a) at the end of paragraph (d) omit “or”; and
 - (b) at the end of paragraph (e) add “, or (f) the Financial Services Authority”.
- 8.—(1) The powers of the administrator referred to in Schedule 1 to the 1989 Order (powers of administrator or administrative receiver) include the power to make—
 - (a) any payments due to a creditor; or
 - (b) any payments on account of any sum which may become due to a creditor.(2) Any payments to a creditor made pursuant to sub-paragraph (1) must not exceed, in aggregate, the amount which the administrator reasonably considers that the creditor would be entitled to receive on a distribution of the insurer’s assets in a winding up.
 - (3) The powers conferred by sub-paragraph (1) may be exercised until an initial creditors’ meeting but may only be exercised thereafter—
 - (a) if the following conditions are met—
 - (i) the administrator has laid before that meeting or any subsequent creditors’ meeting (“the relevant meeting”) a statement containing the information mentioned in sub-paragraph (4); and
 - (ii) the powers are exercised with the consent of a majority in number representing three-fourths in value of the creditors present and voting either in person or by proxy at the relevant meeting; or
 - (b) with the consent of the High Court.
 - (4) The information referred to in sub-paragraph (3)(a) is an estimate of the aggregate amount of—
 - (a) the insurer’s assets and liabilities (whether actual, contingent or prospective); and
 - (b) all payments which the administrator proposes to make to creditors pursuant to sub-paragraph (1);including any assumptions which the administrator has made in calculating that estimate.