

*To policyholders and claimants in the UK regarding latent defects/structural damage insurances on buildings*

**Alpha Insurance A/S in liquidation – CVR no. 21064440 – notification of liquidation**

Alpha Insurance A/S was placed into liquidation on 8 May 2018 by a decree issued by the Maritime and Commercial High Court's Probate department, Copenhagen, Denmark. I, Attorney Boris Frederiksen, was appointed insolvency administrator by the Probate department.

The liquidation results in a number of changes in your insurance conditions.

**1. TO BE OBSERVED**

Due to the liquidation, certain rights under your insurance policy and your insurance cover have changed.

As a result of the liquidation of Alpha Insurance A/S, existing insurance contracts taken out with Alpha Insurance A/S (now in bankruptcy) will become void, see below under clause 2.

The Danish Guarantee Fund does not cover any claims on buildings nor claims for premium refunds on latent defects/structural damage insurances taken out by a commercial entity in the UK regardless of whether the beneficiary is a private party, see below under clause 3.

However, policyholders/beneficiaries may possible receive return premium and compensation for claims under the UK national guarantee fund, the Financial Services Compensation Scheme (FSCS), see below under clause 4.

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If the FSCS does not pay return premium and does not provide compensation, you can notify your claim against the insolvent estate, see below under clauses 5 and 6.

The processing of your claim will continue with the current claims processors, as far as possible, in accordance with the procedure stated in your insurance policy. **For further information, please refer to the website of the insolvent estate [www.alphagroup.dk](http://www.alphagroup.dk), where the insolvency administrator will provide regular information about the procedure for notification of claims for individual policyholders, depending on their insurance type and country of residence.**

## **2. EXISTING INSURANCE CONTRACTS WILL BECOME VOID**

Under Danish law, the insurance contract lapses three months after the notice of the liquidation decree in the Danish Official Gazette on 11 May 2018, i.e. on 11 August 2018.

That means that claims filed after the expiration of the 11 August 2018 will only be taken in to consideration if it can be established that all requirements to file a claim under the policy existed prior to the expiration.

In any event, compensation from the bankruptcy estate is subject to considerable uncertainty, given that the overview of the expected dividend still needs to be established. Dividend meaning the proportionate share to be received by a creditor when all claims cannot be fully satisfied. Full compensation from the bankruptcy estate cannot be expected.

Therefore, we recommend that you take out new insurance as quickly as possible.

## **3. COVER FROM GUARANTEE FUNDS**

### **3.1 The Danish Guarantee Fund**

The Danish Guarantee Fund can provide compensation for claims that have not been covered as a consequence of a non-life insurer's liquidation. Under section 5(1) of Consolidation Act no. 1050 of 8 September 2017, the Danish Guarantee Fund covers the following:

1. Policyholders with private insurance (typically consumer insurance such as motor liability insurance, home and personal protection insurance, homeowner's insurance, landowner's insurance, second home insurance, accident insurance, construction damage insurance, change of ownership insurance, seller liability insurance and similar private insurance policies),
  2. Third parties insured against personal injury or property damage under motor liability insurance,
  3. Third parties insured against personal injury under other types of liability insurance,
  4. Collective insurance insofar as an insurance policy by nature corresponds to the individual insurance policies covered, and
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## 5. Fire insurance for buildings for all types of properties.

The bankruptcy estate has been in contact with the Danish Guarantee Fund regarding the latent defects/structural damage insurances on buildings in the UK.

It is the Danish Guarantee Fund's point of view that latent defects/structural damage insurances on buildings in the UK are commercial insurances, even though the beneficiary is a private person. **Consequently, claims for damages and repairs on buildings and premium refunds are not covered by the Danish Guarantee Fund.** Therefore, you may lodge a claim in the bankruptcy estate, see below under clause 5 and 6.

## 4. THE FINANCIAL SERVICES COMPENSATION SCHEME

### 4.1 Area of coverage

Claims for damages and premium refunds on latent defects/structural damage insurances on buildings in the UK may be provided by the national guarantee fund, the Financial Services Compensation Scheme (FSCS).

The bankruptcy estate is in dialog with the FSCS and is working on a process to make payments on claims covered by the FSCS. New claims should still be notified to your claims handler, in accordance with the procedure stated in your insurance policy. For further information on the FSCS we kindly refer you to [www.fscs.org.uk](http://www.fscs.org.uk).

## 5. NOTIFICATION OF CLAIMS OUTSIDE THE AREA OF COVERAGE OF THE DANISH GUARANTEE FUND OR OTHER GUARANTEE FUNDS

### 5.1 Notification of claims to the bankruptcy estate

Any claims on latent defects/structural damage insurances must still be notified to your claims handler in accordance with the procedure stated in your insurance policy. At the website [www.alphagroup.dk](http://www.alphagroup.dk) we have included information on claims handlers.

Initially, your claim will be processed by the claims handler. If the claims handler admits a claim, the bankruptcy estate will automatically be informed, and you will subsequently receive confirmation that the claim has been recorded in the bankruptcy estate. Then the claim must await final adjudication of claims and subsequently distribution of dividend at the closing of the estate.

If the claim is not admitted by the claims handler, you can notify the claim to the bankruptcy estate. Notification can be made via the website [www.alphagroup.dk](http://www.alphagroup.dk) or by email: [alpha@kammeradvokaten.dk](mailto:alpha@kammeradvokaten.dk). However, you should expect the bankruptcy estate to reject the claim, in accordance with the claims handler's decision, in connection with final adjudication of claims.

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If notification is made to the email address stated above, "*Anmeldelse af skade*" (Notification of claim) should be specified in the subject line.

If a claim is notified to the insolvency administrator, proper documentation of the claim should be attached and the following information should be provided:

1. Specification of the amount of the claim,
2. The date of occurrence of the damage or loss,
3. A copy of the insurance policy, and
4. Copies of all relevant correspondence with the claims processor.

The time limits of the insurance policy must be observed in relation to notifications of claims in the bankruptcy estate. In addition, ordinary limitation periods apply.

Online notification of claims will become possible via the website of the bankruptcy estate [www.alphagroup.dk](http://www.alphagroup.dk) as soon as possible. At the website, you will get access to an online form, which will help you to provide the necessary information for your notification of claim.

## **6. NOTIFICATION OF CLAIM FOR RETURN PREMIUM**

Notification of a claim for return premium must be made at the website [www.alphagroup.dk](http://www.alphagroup.dk).

Notification of a claim for return premium should never be made to the claims processor.

Proper documentation for the claim must be attached to the notification and the following information must be included, among other things:

1. A copy of your insurance policy,
2. Documentation that the premium has been paid, and
3. Information about insurance type and agent.

From the website, there will be access to an online form which elaborates on and helps provide the necessary information for the notification of your claim for return premium.

Online notification of claims will become possible via the website of the bankruptcy estate [www.alphagroup.dk](http://www.alphagroup.dk) as soon as possible, and regular information will also be provided on the bankruptcy estate proceedings.

You will receive confirmation as soon as possible after receipt of your notification of claim.

The time limits of the insurance policy must be observed in relation to notifications of claims in the bankruptcy estate. In addition, ordinary limitation periods apply.

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In any event, compensation from the insolvent estate is subject to considerable uncertainty, given that the overview of the expected dividend still needs to be established. Dividend meaning the proportionate share received by a creditor when all claims cannot be fully satisfied. Full compensation from the insolvent estate cannot be expected.

Yours sincerely

Boris Frederiksen  
– *Partner, Attorney*