



12 October 2022

NOTICE

GENERAL PROFESSIONAL INDEMNITY LTD

HAMILTON, BERMUDA – The Bermuda Monetary Authority (**Authority** or **BMA**) has successfully petitioned the Supreme Court of Bermuda to wind up General Professional Indemnity Ltd. (**GPIL**) pursuant to Section 35(1)(b) and (c) of the Insurance Act 1978 (**Insurance Act**) and the provisions of the Companies Act 1981.

GPIL was incorporated under the laws of the Islands of Bermuda on 3 January 1992 and was licensed by the Authority on 16 January 1992. GPIL was re-registered as a Class 3 insurer under the Insurance Act. The General Professional Indemnity Ltd. Act 1997 was passed on 16 April 1997 and allowed GPIL to establish separate accounts (**SAC**).

On 15 July 2021, the Authority, exercising its powers under the provisions of Section 32 and 32C of the Insurance Act, deemed it appropriate to impose Urgent Directions against GPIL as a result of GPIL's non-compliance with various requirements under the Insurance Act, in particular as it related to the accuracy of GPIL's 2019 and 2020 statutory financial filings. GPIL filed a Notice of Appeal of the Authority's decision to impose Urgent Directions under the provisions of Section 44H of the Insurance Act; however, the determination of this appeal was deferred whilst GPIL sought to address matters which had given rise to the Authority's concerns.

Despite being subject to the Urgent Directions, GPIL continued to be non-compliant with the Insurance Act, in particular with the ongoing failure to file audited financial statements and regulatory financial filings for the 31 March 2021 year-end. Accordingly, the Authority made an application to the Supreme Court of Bermuda seeking the appointment of joint provisional liquidators (**JPLs**) to GPIL. By Order of the Supreme Court dated 29 August 2022, Joel Edwards of EY Bermuda Ltd., 3 Bermudiana Road, Hamilton, Bermuda, and Eleanor Fisher of EY Cayman Ltd., 62 Forum Lane, Camana Bay, Grand Cayman, Cayman Islands, were appointed as the JPLs of GPIL. A winding-up petition was presented by the Authority and thereafter heard by the Supreme Court on 7 October 2022, following which a winding-up order of GPIL was issued by the Supreme Court.

The Authority deemed it appropriate to petition the Supreme Court to wind up GPIL as a result of several breaches of the Insurance Act. In particular, GPIL failed to prepare accurate and audited statutory financial statements and statutory financial returns for the year ending 31 March 2019 and ongoing as required under Sections 15, 15A, 17 and 18 of the Insurance Act, thereby preventing the Authority from ascertaining the financial position of GPIL.

The Directors¹ of GPIL at all material times were (and are):

- Julian Mark Griffiths;
- Simon Charles Everett (resignation effective 30 March 2022);
- Simon Jonathan Logue;
- Michael Darrow Freisenbruch.

The SAC representative, as indicated in the records of the Registrar of Companies, was at all material times Independent Management Limited, a company registered in Bermuda by the Authority as an Insurance Manager under the provisions of Section 9 Insurance Act.

The Authority viewed the above breaches as serious because of their extent and duration and no longer had confidence in GPIL's ability to manage its affairs and to restore its compliance with the Insurance Act. The Authority's actions highlight the importance of its role in protecting the reputation of the jurisdiction and the interests of the public.

If anyone has any immediate questions related to GPIL or the liquidation going forward, please contact the JPLs at

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andrew.a.stott@parthenon.ey.com.**

¹ Listing of current and past directors of GPIL are publicly available at the office of the Registrar of Companies