PREMIER INSURANCE COMPANY LIMITED

In Administration

ADMINISTRATOR'S PROGRESS REPORT

Pursuant to S87 Insolvency Act, 2011

13th June 2026

Contents

1. The Administration

By Order of the Supreme Court on 14th October 2025 ("the Order"), Bradley Chadwick and I were appointed Joint Administrators of Premier Insurance Company Limited ("the Company").

Following a change in the personal circumstance of Bradley Chadwick and an application to the Supreme Court, the Court by Order dated 1st April 2026 granted leave for him to resign as a Joint Administrator. I remain as the sole Administrator of the Company and this is my report.

The Order of appointment included the following power:

"The Administrators shall in addition to the express powers set out in Section 71 and Schedule 1 to the Insolvency Act 2011 ("the Act") be granted leave pursuant to Section 72 (1) (b) of the Act to make distributions to insurance creditors up to the value of 80% of the agreed/admitted insurance claim."

Section 250 of the Financial Services (Insurance Companies) Regulations 2020 provides that insurance claims take precedence over other claims against an insurance undertaking. The only exception to this precedence is certain claims by employees and tax authorities. The effect of this legislation in respect of an insurance undertaking unable to meet all its liabilities is that the assets of the Company are applied to meet the insurance creditors as a priority. Only once insurance creditors are met would any remaining assets be distributed to non-insurance creditors.

Section 87 (1) of the Insolvency Act 2011 requires the administrator to prepare an account of the receipts and payments of the company in administration and a report on the progress of the administration. The accounts and report are to cover the period of six months following appointment with further accounts and reports prepared each subsequent six months. This is the first report of the administrator. Section 87 (3) requires that a copy of the accounts and report is filed with the Court and with the Registrar. The report is also published on the administration website www.picl-in-administration.com.

2. Background

The Company was licensed on 4th December 2008 under the Gibraltar Financial Services (Insurance Companies) Act 1987 and underwrote motor insurance in the United Kingdom ("UK"). The Company ceased issuing new policies of insurance by 31st January 2025 and the Company had since then been in run off. The board had determined that the Company was or was very likely to become insolvent and resolved at a meeting of the Company on 17th September 2025 that the Company be placed into Administration. At this time there remained circa 30,000 live policies issued by the Company which would all expire on or before 31st January 2026.

3. Administration Strategy and Objective

The Administrator has an obligation to perform his duties with the purpose of achieving one of the following objectives.

a. Rescuing the Company as a going concern
b. Achieving a better result for the Company's creditors as a whole than would be likely if the company were to enter into liquidation, without first being in administration or
c. Realising property in order to make a distribution to one or more secured or preferential creditors.

The rescuing of the company as a going concern was not a viable objective given the extent of the insolvency and the deficit of assets in respect of insurance liabilities. The objective set out at (c) does not apply. It was therefore the objective set out at (b) above, of achieving a better result for the creditors as a whole than would be likely if the company were to enter into liquidation without first being in administration that was proposed as the intended purpose and objective of the administration.

An advantage of administration is that the administrator is able to continue the run-off of the Company's insurance claims by the management and adjudication of claims in a cost-efficient manner utilizing similar claims management procedures previously operated by the Company.

While the Administration Order granted me leave to make distributions to insurance creditors up to the value of 80% of the agreed/admitted insurance claim my assessment of realisable assets and the estimated cashflows available to me led me to set the initial level of distribution to insurance creditors at 65%. The Company has an extensive program of reinsurance including excess of loss and quota share and I have met with reinsurers to facilitate their engagement and the collection of reinsurance recoveries to assist me in meeting the objective of the administration.

As the Company wrote motor insurance business in the UK insurance creditors are resident in the UK and eligible policyholders are protected by the Financial Services Compensation Scheme ("FSCS"). While eligibility checks are undertaken when insurance creditors are admitted to the estate it is my understanding that all insurance policyholders are likely to meet the criteria for protection by the FSCS.

If the Company were to enter liquidation the FSCS would most certainly be obliged to protect 100% (or 90% dependent upon the FSCS rules) of the insurance claims arising and await distribution of reinsurance recoveries from the liquidator in due course. The objective of the administration is to continue the timely and cost efficient adjudication and settlement of claims with initially 65% of the claims settled from the assets of the Company with the shortfall (in respect of UK eligible policyholders) being protected by the FSCS. The obvious benefit of the administration process to the FSCS who will be the principal actual and contingent creditor of the Company is the vastly reduced drawdown on the compensation fund with the associated cash flow and finance cost savings.

4. The Proposal

At a meeting of creditors held on 11th December 2025 to discuss and vote upon the administration proposal, it was agreed:

- That the Administrators will continue to manage the affairs of the Company in order to achieve the objective of the Administration.
- That the Administrators will make appropriate arrangements to continue with the timely management, adjudication and settlement of claims. It is understood that there are currently circa 3,000 open claims.
- That additional claims managers will be engaged to facilitate the upload of claims data to the FSCS and assist with and oversee the claims management process.
- That initially 65% of the amount of agreed and settled claims be met from the assets of the Company.
- That the FSCS upon receipt of the approved claims bordereaux provide the Company with the balance of 35% or whatever percentage of the claim is not met from the assets of the Company by way of protecting eligible policyholders/claimants in return for an assignment of the claim and acceptance by the Company as an insurance creditor. Such funds provided by the FSCS may only be used for the protection of United Kingdom policyholders eligible for protection in accordance with FSCS rules.
- That the Company continues the submission of bordereaux and collection of recoveries from quota share reinsurers and excess of loss reinsurers to use such funds, along with other asset recoveries, to meet the expenses of the administration and meet payments of insurance creditors at an initial 65% of the agreed claims.
- That as the cashflows available to the Company, including the successful sale of property assets, becomes more certain the administrators will consider increasing the level of distributions to insurance creditors from the initial 65%. Any such decision will be communicated to insurance creditors at that time.
- That on or before 31 December 2026 remaining claims will be reviewed and an assessment of the claims management resource undertaken to determine a cost efficient management of claims to conclusion.

5. Progress to date

After careful consideration taking into account the onset of the higher risk winter period coupled with the retention level of £1 million pounds on the in force excess of loss reinsurance policies, it was decided to de risk the estate by way of a disclaimer of the remaining live insurance policies. Policies were disclaimed with effect from 00.00 hours on 1st December 2025.

The administration receipts and payments account for the six-month period to 14 April 2026 is attached as Appendix A.

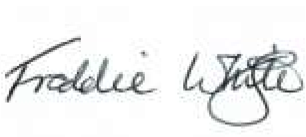
I would highlight the following matters – please note that the amounts specified below are cumulative to date:

- Quest Group have been engaged to assist the Administrator in the management of claims, to coordinate with Davies Group Ltd and 4th Dimension Innovation Limited and to facilitate the upload of data to the FSCS.
- Davies Group Limited are retained to manage motor claims.
- 4th Dimension Innovation Limited are retained to manage motorcycle claims.
- Property assets have been placed on the market but currently remain unsold.
- There are currently 1,778 open claims with attached reserves of £70,171,323. These figures included 116 claims with reserves greater that £25,000 for which reserves amount to £62,690,637.
- An amount of £1,949,455 has been received from the FSCS following the submission of claims bordereaux as 35% of the claims paid.
- Claims paid to date amounts to £6,093,267.
- New claims notified during the administration are 148.
- Reinsurance recoveries of £1,649,929 have been received to 14th April 2026. Reinsurers have been supportive of the administration.

6. Estimated Outcome

While considerable uncertainty remains specifically regarding realisation of property assets, the levels of claims reserves and the amounts at which insurance claims might ultimately settle and therefore the corresponding reinsurance recoveries, based on the information available at this time an estimate of the possible outcome of the Administration is that available assets may meet circa 80% of the amount of estimated insurance creditors.

I consider that the results to date confirm that the objectives of the administration as set out in the proposal to creditors are being met and that the affairs of the Company should continue to be managed in accordance with the administration proposal, utilising the assets of the Company to meet the expenses of the administration and settling agreed and admitted insurance claims currently at 65% of the value of the claim.



F D J White

Administrator

The report can be found on the administration website www.picl-in-administration.com

Appendix A

Joint Administrators Receipts & Payments Account
Period 14th October 2025 to 14th April 2026

	£
Bank balances taken over at date of Administration	**7,408,944**
Receipts	
Reinsurance recoveries	1,649,929
Claims Funds from FSCS	1,949,455
Claims Recoveries	491,000
Premium debtor from brokers	69,000
Realisation of investments	6,901,521
Bank interest receivable	206,121
Sundry income	94,992
Total Receipts	**11,362,018**
Payments	
Claims Paid	6,093,267
Administrators Fees	409,367
Administrators Costs - General costs	2,641
Pre Administration Fees	121,849
Pre Administration Legal Fees	46,174
Professional Fees	109,630
Legal Fees	28,655
Staff Salaries	70,714
Premise Costs	24,902
Office Costs - General	2,982
Investment Management Fees	35,497
Bank charges	1,612
Total Payments	**6,947,290**
Bank/cash balances held as at 14 April 2026	**11,823,672**
Represented by:	
Natwest Bank	4,206,739
Lloyds Bank	219,704
UBP	6,518,290
Claims Float	878,939
	11,823,672