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Settlement Agreement between the Financial Regulator and Inveralmond Insurance Limited

The Financial Regulator has entered into a Settlement Agreement with effect from 7 September 2010 with Inveralmond Insurance Limited (the "undertaking") of 4th Floor, Marsh House, 25-28 Adelaide Road, Dublin 2, a regulated financial service provider, in relation to a breach of regulatory requirements.

The breach relates to a failing by the undertaking to comply with Article 13(1) (b) of the European Communities (Non-Life Insurance) Framework Regulations, 1994 which requires non-life insurance undertakings to maintain a guarantee fund at certain minimum levels.

On 19 diverse dates from 17th December 2008 to 28th January 2009 inclusive, the undertaking failed to hold sufficient assets to meet its requisite minimum guarantee fund of €3,200,000. Throughout the period of non-compliance, the greatest shortfall in assets on any one date amounted to €199,853 and the mean shortfall amounted to €84,440.

The Financial Regulator reprimanded Inveralmond Insurance Limited and has required it to pay a fine of €26,600.

The Financial Regulator does not believe that the actions of the undertaking were deliberate and confirms that there was no loss or any risk to policyholders as a result. Furthermore, the undertaking has been closed to new business since 31st March 2008. The undertaking has fully cooperated with the Financial Regulator at all times during the investigation.

The Financial Regulator regards breaches of solvency requirements arising from a lack of prudent management, to be a contravention of important regulatory requirements.

This matter is now closed.

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