

**DRAKE INSURANCE PLC**

*Deloitte & Touche partners*, Jamie Smith and Steve Akers, have been appointed Provisional Liquidators to Drake Insurance PLC.

The company, based in Brighton, wrote motor insurance and had been operating since 1978. There are around 170 employees in Brighton. The directors attribute the failure of the company to the intense competition in the motor vehicle insurance market which has led to severe underpricing in the market.

It is estimated that there may be 180,000 current policies, which are not automatically terminated by the provisional liquidation. The Provisional Liquidators are advised that this will enable motorists to continue to comply with the compulsory insurance requirements of the Road Traffic Act 1988.

Jamie Smith commented "All policyholders should contact their brokers or agents for further information and they may wish to make alternative arrangements for insurance cover."

The Policyholders Protection Board has agreed to exercise its discretion to assist with the payment of policy claims for indemnity from individual policyholders during the provisional liquidation, if and to the extent that those claims would be eligible for protection under the Policyholders Protection Act 1975 if Drake Insurance PLC were in liquidation. Subject to this, claims in respect of third party compulsory risks will be payable in full and other indemnity claims will be payable to 90%. With immediate effect the Policyholders Protection Board has asked the Provisional Liquidators to refer all relevant cases to it. In these circumstances, policyholders should not contact the Policyholders Protection Board directly.

Enquiries from policyholders and brokers of Drake Insurance PLC should be directed to the staff at the company where the Provisional Liquidators' staff are also in attendance. **The helpline number is 01273 565 356**

**ENDS**

For further information please contact, George Westropp in National Communications on 0207 303 5070, Matthew Batters on 0207 303 3861/07979 704457 or Emma Thorogood 0207 303 6264

**Notes to Editor:**

Technical Background

**Protection:**

In general, protection is extended to private individuals and to partnerships consisting of individuals. Corporations are also protected but only in respect of compulsory classes of business.