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Settlement Agreement between the Financial Regulator and Creation Insurance Limited

The Financial Regulator has entered into a Settlement Agreement with effect from 6 September with Creation 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 concerns 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 entities to maintain a guarantee fund at certain minimum levels.

On 139 diverse dates from 28 March 2008 to 7 January 2009 inclusive, the undertaking failed to hold sufficient assets to meet its requisite minimum guarantee fund of €2,200,000. Throughout the period of non-compliance, the greatest shortfall in assets on any one date amounted to €141,000 and the mean shortfall amounted to €31,662.

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

The Financial Regulator believes that the actions of the undertaking were not deliberate, that there was no loss or risk to policyholders and the undertaking has been closed to new business since 30 June 2004. 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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