

MILLIMAN REPORT

# Reliance National Insurance Company (Europe) Ltd: Solvent Scheme of Arrangement

**Redacted** Report of the Independent Vote  
Assessor

07 March 2025

Derek Newton, FIA

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# 1. Purpose and Scope

- 1.1. Reliance National Insurance Company (Europe) Ltd ("**RNICE**") is an insurance company registered in England and Wales (registration number 01445992) and regulated by the Prudential Regulation Authority ("**PRA**") and the Financial Conduct Authority ("**FCA**").
- 1.2. RNICE has proposed a Scheme of Arrangement ("**the Scheme**") under Part 26 of the Companies Act 2006 of England and Wales. The Scheme will affect all policyholders (the "**Policyholders**") who claim or wish to make a claim against RNICE under medical liability insurance policies originally written by QBE Insurance (Europe) Limited ("**QBE**") in Italy and Spain and transferred to RNICE in 2018 pursuant to Part VII of the Financial Services and Markets Act 2000 (the "**Insurance Policies**").
- 1.3. Subject to an order of the High Court of Justice, RNICE has announced a meeting of the Policyholders to consider and vote upon the Scheme ("**the Scheme Meeting**"). In certain circumstances, the value attributed to the votes cast at the Scheme Meeting would be subject to an assessment by an independent person (the "**Independent Vote Assessor**").
- 1.4. RNICE has appointed me, Derek Newton, to perform the role of Independent Vote Assessor in relation to the proposed Scheme. I set out in this report (the "**Report**") the values that I have assigned, as the Independent Vote Assessor, to each of the votes cast, together with the basis of those values and how I have assessed them. As such, the Report presents a summary of my findings and should not be used for any other purpose.
- 1.5. I confirm that I do not have any personal, financial, or any other interest in RNICE or any Party related to RNICE. Similarly, those who have assisted me in undertaking this role also have no interests in RNICE or any Party related to RNICE. Neither Milliman nor I have undertaken any assignments for RNICE within at least the last five years. **This version of the Report has been amended from the original finalised version of the Report in order to comply with General Data Protection Regulations ("**GDPR**"). As such, the tables shown in Section 6 have been pseudonymised and certain details relating to the underlying causes of specific claims have been redacted.**
- 1.6. I have relied entirely upon the information provided to me by RNICE in relation to the Policyholders and their respective claims. I have not independently investigated or verified this information. If the underlying data or information is inaccurate or incomplete, the results of my assessment may likewise be inaccurate or incomplete. Responsibility for the accuracy or completeness of the data and information that has been provided to me remains with RNICE.
- 1.7. The Report is laid out as follows:
  - Sections 2 and 3 include important points about how this Report should and should not be used, and the limitations of my work and the results of that work. The Report should only be read in the context of these comments.
  - I summarise the approach that I have taken as the Independent Vote Assessor in Section 4.
  - I have listed in Section 5 the data upon which I have based my analysis.
  - I have set out, with explanations, my findings in Section 6.
- 1.8. I note that my role extends only to assessing the value of the votes. I have no other role in connection with the Scheme. In particular, I have not acted, and will not act, as an arbitrator or as Scheme Adjudicator.

## 2. Distribution and Use

- 2.1. This Report has been prepared for the exclusive benefit of RNICE in relation to the Scheme. It is not intended, nor necessarily suitable, for any other purpose.
- 2.2. No reliance should be placed on any advice not given in writing, or on draft versions of my figures, reports or other forms of written communication.
- 2.3. Except with the prior written consent of Milliman, neither the Report nor any associated correspondence may be reproduced, distributed or communicated in whole or in part to any other person or be relied upon by any other person.
- 2.4. I consent to the Report being made generally available as follows:

- to the Chair of the Scheme Meeting;
- to the Court at the hearing to consider the approval of the Scheme, and any other court in any other jurisdiction as is necessary for the international recognition of the Scheme;
- to the Policyholders, including publication on RNICE's website in relation to the Scheme;
- to professional advisors retained by RNICE, who are involved in the Scheme, who agree to be bound by confidentiality and who shall use the Report exclusively for the purpose of the Scheme;
- in any evidence filed by RNICE with the Court in connection with the Scheme.

My consent to the Report being made available as set out above is conditional on the entire Report be distributed rather than any excerpt and that RNICE makes the recipients aware of the provisions of paragraph 2.5, below. No further distribution of this Report may be made without Milliman's prior written consent.

- 2.5. Furthermore, in respect of any distribution, it should be noted that the Report is confidential, and the third parties undertake not to publish or distribute in whole or part, quote from or make reference to the Report to any other person. In making available the Report, neither the Companies nor Milliman offer any warranty, express or implied, as to the accuracy of the Report or any part thereof or any underlying assumptions upon which the Report is based; and the third parties to whom the Report is disclosed acknowledge that the Report was prepared for use by the Companies, and not for the purposes of any specific third-party, and they undertake not to rely on the Report or any part thereof or to treat them as a substitute for their own due diligence investigations. They also acknowledge and accept that Milliman and the Companies will have no liability to the third parties for the contents of the Report in contract, tort, negligence, breach of any statute or otherwise.
- 2.6. Milliman does not intend to provide benefit to any third-party recipient of its work product, even if Milliman consents to the release of its work product to such third-party. Milliman and I do not and will not accept any responsibility, duty of care or liability to any person other than RNICE.
- 2.7. Except for any media releases or announcements in relation to the Scheme, including any publications on RNICE's website in relation to the Scheme, RNICE agrees that it shall not use Milliman's name, trademarks or service marks, or refer to Milliman directly or indirectly in any media release, public announcement or public disclosure, including in any promotional or marketing materials, customer lists, referral lists, websites or business presentations without Milliman's prior written consent for each such use or release, which consent shall be given in Milliman's sole discretion. All third-party readers of this Report agree that they shall not use Milliman's name, trademarks or service marks, or refer to Milliman directly or indirectly in any third-party communication without Milliman's prior written consent for each such use or release, which consent shall be given in Milliman's sole discretion.

### 3. Reliances and Limitations

#### GENERAL

- 3.1. I have prepared the Report for its intended utilisation by persons technically competent in insurance and financial matters. Judgements as to the conclusions drawn in this Report should be made only after studying the Report in its entirety. I assume that users of the Report will seek explanation and/or amplification of any part of the Report that is not clear. I am available to answer any questions that may arise regarding the Report.
- 3.1. I have prepared this Report for the internal use of the directors and management of RNICE. It should be understood that third parties reading this Report might not have the background information necessary for a full understanding of this Report. I note that I consent to the Report also being made available to those listed in paragraph 2.4, above.
- 3.2. My conclusions are based on a number of assumptions as to future conditions and events. These assumptions, which are documented in this Report, must be understood in order to place my conclusions in their appropriate context. In addition, my work is subject to inherent limitations, which are also discussed in the Report.
- 3.3. No allowance has been made for factors that are not present in the data other than as specifically advised to me or as described by me in the following analyses.
- 3.4. Because this Report relates, at least in part, to a UK regulated insurer (i.e. RNICE), the work carried out and the Report fall within scope of the following professional guidance:
- TAS 100 (Principles for Technical Actuarial Work), as issued by the Financial Reporting Council (“FRC”);
  - TAS 200 (Insurance), as issued by the FRC;
  - APS X1 (Applying Standards to Actuarial Work), as issued by the Institute and Faculty of Actuaries (“IFoA”);
  - APS X2 (Review of Actuarial Work), as issued by the IFoA; and
  - APS X3 (The Actuary as an Expert in Legal Proceedings).

I confirm that, in fulfilling my role as Independent Vote Assessor and in preparing the final version of the Report, I have complied with the above guidance, subject where appropriate to my judgements regarding materiality and proportionality.

- 3.5. The Report has been produced on a standalone basis.

#### MY ESTIMATES

- 3.6. I have made my estimates of claim values on an “best estimate” basis. The term “best estimate”, as used in this Report, is intended to represent an expected value over a range of possible outcomes. However, the limitations of the available valuation methods mean that my estimates are not statistically rigorous estimates of the means of the underlying distributions of all possible outcomes. “Best estimates” claim values do not necessarily represent the most likely outcomes of the individual claims, or values that are either pessimistic or optimistic.
- 3.7. I illustrate this using the following simple example:
- The likelihood of Claim A being settled in favour of the policyholder/RNICE is 40%; the likelihood of it being settled in favour of the claimant is 60%.
  - If the claim is settled in favour of the claimant, then it is 70% likely that the claim will cost the policyholder/RNICE €5 and 30% likely that it will cost them €10.
  - Claim values would be:
    - most optimistic: zero;
    - most pessimistic: €10;

- most likely: €5 (60% x 70% = 42% likely, as opposed to the other options of zero cost, which is 40% likely, or €10, which is 60% x 30% = 18% likely); and
- best estimate: €3.9 (40% x nil + 42% x €5 + 18% x €10).

In this Report, I have shown, as my values of each claim, only best estimate values. It is possible that at least some of the values provided by RNICE and by the Policyholders have been calculated on a different basis.

- 3.8. Unless otherwise stated, my estimates of the claim values contain no margins for prudence or optimism. My estimates are gross of both recoveries to RNICE from outwards reinsurance contracts and the cost of handling the claims, but net of contractual deductibles<sup>1</sup> and of any payments already made by RNICE in respect of the specific claim (i.e. I am considering the value to the policyholders of the future payments to be received by them from RNICE in respect of their respective claims). My estimates are not discounted for the time value of money.
- 3.9. Except as indicated, I have not anticipated any extraordinary changes to the legal, social, or economic environment that might affect the cost of claims.

## INHERENT UNCERTAINTY

- 3.10. It must be understood that estimates of the ultimate payments in respect of claims are subject to potentially large degrees of variance, due to the fact that the ultimate disposition of claims incurred is subject to the outcome of events that have not yet occurred. Examples of these events include court interpretations, legislative changes, subsequent damage to property, public attitudes, and social/economic conditions such as inflation. Any estimate of future liabilities is subject to the inherent limitation on one's ability to predict the aggregate course of future events. Therefore, it should be expected that the actual emergence of claim amounts will vary, perhaps materially, from any estimate. In my judgement, I have employed techniques and assumptions that are appropriate, and I consider the values that I present herein to be reasonable, given the information that I have reviewed.
- 3.11. As I explained earlier in this Report, in paragraphs 3.6-3.7, I have made my estimates of claim values on an "best estimate" basis, which is intended to represent an expected (or mean) value over a range of possible outcomes. My valuations are based, for each claim, on my subjective assumptions of the likelihood of various outcomes of the main component parts of the claim settlement process. As such, the approach that I have taken is not a statistical approach and, therefore, it is not possible to apply statistical techniques to quantify the uncertainty within the estimates. Moreover, I am not predicting the outcome of any claim.
- 3.12. Although the assumptions underlying my best estimates are based on the information with which I have been provided, they are subjective. Other (similar but different) assumptions that might have been similarly reasonable could have been selected. These would have resulted in different selected values. However:
- While I consider the uncertainty in each individual value to be large, I believe that the uncertainty within the values aggregated as a whole to be relatively less, the argument being that over- and under-estimations on individual claims will, to some extent, cancel each other out when aggregated.
  - Many of the claims that I have valued are relatively small and alternate reasonable valuations of those would have little impact on the vote valuation.
- 3.13. I do not believe that it is possible to quantify with a useful degree of reliability the uncertainty within my valuations and so I have not further considered this in this Report.

## DATA RELIANCE

- 3.14. In conducting my review, I relied upon data and other quantitative and qualitative information supplied by the management of RNICE. I relied upon the accuracy and completeness of this data and information without independent verification or audit. This data has not been checked by me, although RNICE has confirmed that, as far as it is aware, the data supplied to me is accurate (see Appendix A). If the underlying data or information is inaccurate, then the results of my analysis may likewise be inaccurate. In that event, the results of my analysis may not be suitable for the intended purpose.

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<sup>1</sup> These include aggregate deductibles but only to the extent that I have been advised by RNICE that they apply.

- 3.15. The data and information on which I have relied is not all of the data and information that is available to RNICE. As discussed below, in paragraph 5.6, there is additional information comprising several hundred pages of case notes, correspondence, medical reports, expert opinions, etc. for each claim. Such information might have included material that would have enabled me to arrive at more reliable estimates of the value of each claim, but, in my view, the cost and time required to have sifted through the additional information in order to identify that material would have been disproportionate. That is a further limitation regarding the results of my analysis.
- 3.16. Should any material discrepancies in the data/information be discovered, they should be reported to me as soon as possible and I will amend this Report accordingly, if warranted.

## 4. My approach as Independent Vote Assessor

### BACKGROUND

- 4.1. The Scheme will be subject to sanction by the Court. At the Scheme Meeting prior to the hearing at which the Court shall decide whether to sanction the Scheme, the Policyholders will vote whether to accept the terms of the Scheme. The sanction hearing of the Court will only take place if more than 50% by number and more than 75% by value of the Policyholders (that vote) vote in favour of the Scheme.
- 4.2. According to the terms of the Scheme, in the event that the Independent Vote Assessor is required to carry out an assessment, the Chair of the Scheme Meeting shall provide the Independent Vote Assessor with:
- all votes against the Scheme;
  - sufficient votes in favour of the Scheme to determine whether the requisite statutory majority has been achieved; and
  - any additional votes the Chair of the Scheme Meeting shall request.

The direction of the votes cast will not be disclosed to the Independent Vote Assessor.

- 4.3. The Independent Vote Assessor shall review the Company's information, the Policyholders' information and the Chair's valuations of each vote indicated (and such other votes as he shall reasonably determine), shall seek to apply the valuation tables described in the Explanatory Statement to the Scheme, and shall report his findings to the Chair, who will review the values placed on the votes at the Scheme Meetings.
- 4.4. The Independent Vote Assessor's report will be made available to the Court at the hearing to consider the approval of the Scheme. If the Chair revises his view of the value of a vote following review by the Independent Vote Assessor, the Policyholder will be notified of the revised determination. If there is any dispute, the Independent Vote Assessor's decision will be final and binding, subject to the Policyholder's right to make any objection known to the Court at the Second Court Hearing. The Chair of the Scheme Meeting will include details of any dispute in his report to the Court of the result of the Scheme Meetings and full details will be included in the evidence filed with the Court for the Second Court Hearing.
- 4.5. The Chair has the power to reject a Scheme Claim for voting purposes, in whole or in part, if he considers (in his absolute discretion) that it does not represent a reasonable assessment of the value of the Scheme Claim to which it relates. Where the Chair or the Independent Vote Assessor has changed or rejected a Policyholder's assessment of the value of their Scheme Claim for voting purposes, they will, if possible, notify the relevant Policyholder of such decision, and the reasons therefore, before the Scheme Meeting.

### MY APPROACH

- 4.6. As the Independent Vote Assessor, my approach to assessing the value for voting purposes has been as follows:
- I have received from RNICE data and information (discussed in Section 5, below) that is relevant to the estimation of the value of those individual votes that are expected to be cast. This information has been provided by Policyholder and by individual open claim (some of these claims have been closed by RNICE but the Policyholder considers that RNICE remains liable for some payments). I understand that RNICE does not believe that any other Policyholder will take part in the vote on the Scheme (I note that the votes of only those Policyholders with claims that have been incurred but not finally settled would be taken into account in assessing the numbers of votes cast for and against the Scheme).
  - I have discussed this information further with RNICE, to ensure that I understand it sufficiently.
  - I have made a best estimate of the value of each of the claims that have been notified to me. By summing the values of those claims by Policyholder, I have arrived at a value for each of those Policyholders votes.



## 5. Data

- 5.1. RNICE assumed responsibility for the Insurance Policies in 2018. Since 2021, it has outsourced the handling of all claims relating to the Insurance Policies to Premia UK Services Company Ltd ("**Premia**"). In practice, much of the data and other information that I have received has been provided directly by Premia. However, in this Report I do not distinguish between that data provided to me by RNICE and that provided to me by Premia on RNICE's behalf.
- 5.2. RNICE has provided me with a spreadsheet containing claim information in respect of the following Policyholders:
- Policyholder A
  - Policyholder B
  - Policyholder C
  - Policyholder D
  - Policyholder E
  - Policyholder F
  - Policyholder G
  - Policyholder H
  - Policyholder I
  - Policyholder J
  - Policyholder K
  - Policyholder L
  - Policyholder M
  - Policyholder N
  - Policyholder O
  - Policyholder P
  - Policyholder Q
  - Policyholder R
  - Policyholder S
  - Policyholder T
  - Policyholder U.
- 5.3. For each Policyholder, the spreadsheet contains a list of each claim that the Policyholder considers has outstanding value, and specifies the following information:
- Claim number
  - Claimant name
  - Claim status
  - The outstanding amounts booked in RNICE's reserves in respect of each claim
  - The value<sup>2</sup> placed on the claim, for vote valuation purposes, by
    - the Policyholder
    - RNICE
  - A brief commentary, prepared by Premia, on the claim, providing some explanation of the reasoning behind RNICE's value.
- 5.4. In addition, I relied on information arising out of discussions with the Companies' personnel.

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<sup>2</sup> I understand that each value is supposed to have been prepared on the same basis, which is net of all deductibles and payments made to date by RNICE but gross of any outwards reinsurance from which RNICE benefits, i.e. it is an estimate of the amount that RNICE remains liable to pay in respect of the specific claim. However, as discussed in Section 6, below, there are certain claims where I suspect that there are differences between RNICE and the respective Policyholder in the treatment of payments to date and/or of deductible amounts.

- 5.5. The information referred to in the three paragraphs immediately above is not as at a specific date, but I understand that it reflects RNICE's knowledge, as at the date of this Report, of each of the relevant claims.
- 5.6. I have also been shown the contents of Premia's claim files in respect of two claims (Claim 1 and Claim 9, both relating to Policyholder A). This was to illustrate what information was available other than the summarised information within the spreadsheet. This comprised several hundred pages of case notes, correspondence, medical reports, expert opinions, etc. I am of the view that such information would be essential for the adjudication/settlement of claims but that using this additional information for assessing the value of the votes would be disproportionate. The best estimate of the value of the claims is highly judgemental; making use of the additional information would not materially alter the judgemental nature of the assessment.
- 5.7. I have not audited or verified this data or information. Any user of my Report is relying on RNICE, not me or Milliman, for data/ information quality.

## 6. Analysis

6.1. In Figure 6.1, below, I set out my best estimate of the value of the vote of each Policyholder listed in paragraph 5.2, above, together with the value of the vote claimed by the Policyholder and the value assumed by RNICE.

**FIGURE 6.1. SUMMARY OF THE VOTE VALUES AS SUBMITTED BY RNICE AND THE POLICYHOLDERS, AND AS ESTIMATED BY THE VOTE ASSESSOR (EUROS)**

Policyholder	Vote valuations			% of total value		
	Submitted by Policyholder	Proposed by RNICE	Estimated by the Vote Assessor	Policyholder	RNICE	Vote Assessor
Policyholder A	11,947,118	3,560,980	3,926,536	21.4%	11.8%	12.4%
Policyholder B	3,800,000	0	0	6.8%	0.0%	0.0%
Policyholder C	6,000,000	3,450,000	4,253,000	10.8%	11.5%	13.4%
Policyholder D	5,635,781	3,794,000	4,607,750	10.1%	12.6%	14.5%
Policyholder E	7,132,074	6,174,790	6,930,440	12.8%	20.5%	21.9%
Policyholder F	5,900,000	5,750,000	5,731,250	10.6%	19.1%	18.1%
Policyholder G	178,168	160,000	160,000	0.3%	0.5%	0.5%
Policyholder H	950,000	10,000	0	1.7%	0.0%	0.0%
Policyholder I	1,980,000	380,874	740,874	3.6%	1.3%	2.3%
Policyholder J	970,000	0	36,538	1.7%	0.0%	0.1%
Policyholder K	229,614	1	10,000	0.4%	0.0%	0.0%
Policyholder L	1,173,115	140,000	235,000	2.1%	0.5%	0.7%
Policyholder M	3,237,830	3,237,830	2,291,141	5.8%	10.7%	7.2%
Policyholder N	192,670	0	55,950	0.3%	0.0%	0.2%
Policyholder O	3,775,000	1,545,000	684,000	6.8%	5.1%	2.2%
Policyholder P	880,000	880,000	859,524	1.6%	2.9%	2.7%
Policyholder Q	450,000	0	0	0.8%	0.0%	0.0%
Policyholder R	35,000	35,000	35,000	0.1%	0.1%	0.1%
Policyholder S	20,835	20,835	20,835	0.0%	0.1%	0.1%
Policyholder T	1,230,000	967,995	1,086,498	2.2%	3.2%	3.4%
Policyholder U	20,000	16,620	18,310	0.0%	0.1%	0.1%
<b>TOTAL</b>	<b>55,737,205</b>	<b>30,123,926</b>	<b>31,682,646</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

NB: the valuation amounts shown above represent the sums of the individual claim values for each policyholder, as shown in the tables for each individual policyholder that follow in the remainder of this section of the Report.

6.2. In the remainder of this section, I explain my best estimates, as set out in Figure 6.1, by looking at each of the claims regarded as relevant by the Policyholders. In each case, I have considered whether the claim is covered within the terms of the policy, whether culpability on the part of the policyholder has been, or will be, established, and, assuming that the claim is covered that culpability is established, the magnitude of the claim settlement, including any legal costs awarded against the policyholder.

6.3. In this analysis and for simplicity, I do not distinguish between actions taken by QBE in respect of these policies and claims and those taken by RNICE, instead referring to them all as if taken by RNICE.

### **POLICYHOLDER A**

6.4. In Figure 6.2, below, I list for each non-zero claim submitted by Policyholder A the vote valuations provided by the policyholder, by RNICE and by me. I also show the factors that I have selected in arriving at my best estimates (my values for each claim being the product of these three factors).

**FIGURE 6.2. VALUATIONS BY NON-ZERO CLAIM FOR POLICYHOLDER A, INCLUDING THE FACTORS SELECTED BY THE VOTE ASSESSOR FOR HIS BEST ESTIMATES (EUROS)**

	Vote valuations			Vote assessor's view of		The likely magnitude of future claims payments (if any)
	Submitted by the Policyholder	Proposed by RNICE	Estimated by the Vote Assessor	The likelihood of the claim being covered	The likelihood of the Policyholder being deemed culpable	
Claim 1	1,197,297	0	54,932	25%	20%	1,098,649
Claim 2	814,531	275,980	270,256	100%	50%	540,511
Claim 3	355,185	25,000	33,415	100%	100%	33,415
Claim 4	766,778	0	12,268	2%	100%	613,422
Claim 5	2,263,481	0	56,587	5%	100%	1,131,740
Claim 6	62,656	0	24,000	100%	50%	48,000
Claim 7	2,390,000	1,200,000	538,500	30%	100%	1,795,000
Claim 8	172,872	0	0	100%	0%	86,436
Claim 9	8,492	0	0	100%	100%	0
Claim 10	102,671	0	0	100%	100%	0
Claim 11	3,813,156	2,060,000	2,936,578	100%	100%	2,936,578
<b>TOTAL</b>	<b>11,947,118</b>	<b>3,560,980</b>	<b>3,926,536</b>			

### Claim 1

6.5.



6.6. The trial for the claim is pending. The policyholder's valuation appears to be based on the Court ultimately finding against it, although the value put forward is more than the size of the claimants' writ (roughly €1m). It may be that the policyholder is assuming that it will also be ordered to pay the claimants' expenses plus interest and that it will seek for RNICE to meet these and its own costs in defending this claim

6.7. RNICE has valued the claim at nil for two reasons:

- The medical reports submitted in the criminal proceeding [REDACTED] did not suggest any medical negligence. Both the Court of Appeal and the Supreme Court upheld the verdict of the first Court, [REDACTED]. RNICE considers it unlikely that a civil trial will reject these findings and attribute (at least partial) blame to the medical treatment. I agree that, in the circumstance, it is unlikely, but not impossible, that the policyholder would be found liable. I have judgementally assumed 20% probability that civil proceedings will ultimately find against the policyholder.
- The relevant policy under which this claim has been made is "claims made". The policyholder initially claimed against RNICE for its legal expenses in anticipation of contesting this claim, but such expenses were covered by a third party and not by RNICE under this policy. When RNICE was informed of the possibility of an indemnity claim (which would have been covered) it was outside the notification period. I also agree that, because of the late notification, this claim should not be covered under the terms of the policy. However, I consider it possible that the Court will rule that it should be covered, and that the late notification is merely a minor technicality. I have judgementally assumed that likelihood to be 25%, having noted that, in its pleadings to the Court, the policyholder has not contested RNICE's view that this claim is not covered.

6.8. If the Courts were ultimately to award against the policyholder, then I suspect that the amount awarded would be above the value of the writ to allow for interest, etc. In such circumstances, I have assumed a best estimate severity roughly equal to the average of the policyholder's estimate (€1.2m) and the claimants' original writ (€1m).

### Claim 2



6.10. Although RNICE has doubts that the claim should have been covered by the policy, such doubts were not raised sufficiently early and the Courts have determined that the hospital is covered by the policy for this claim. I have therefore assumed 100% likelihood of coverage.

- 6.11. The Court's initial decision was to award the claimant €630k plus interest and revaluation. I understand that the policyholder has paid the claimant the awarded amount (which totalled €814,531, the value placed on the claim by the policyholder) and that RNICE has already paid the policyholder €274k in respect of this claim. I further understand that the Court's original decision has been appealed and that the Court of Appeal has suspended the original award, less the amount already paid to the policyholder by RNICE.
- 6.12. Although the final hearing of the Court of Appeal was in September 2024, it has yet to publish its verdict. RNICE's valuation of this claim is based on its view that the Court of Appeal (and any subsequent Court) is likely to award only part of the suspended settlement amount, i.e. it will not endorse the amount that was originally awarded). It has subjectively assumed that the Court of Appeal will confirm just 50% of the suspended amount. In the absence of other information, I consider this assumption, that the mean award to be made by the Court of Appeal would be 50% of the suspended amount, is not unreasonable and have therefore adopted it in my own valuation.
- 6.13. I believe that, in estimating the value of this claim, the policyholder has taken into account neither the €274k already paid by RNICE nor the possibility that the Court of Appeal will not uphold fully the original Court award.

### **Claim 3**

- 6.14. There are two defendants in this case, only one of which is insured by RNICE. I understand that the claimant had offered to settle for €20k (having originally filed a claim for €355k), and that the policyholder accepted the claimant's offer but that the other defendant rejected it, presumably because it considered that it would win the case at trial, the Court Medical Report ("CMR") having identified no liability on the policyholder's part. RNICE has offered to pay the other defendant €4-5k to cover its legal fees relating to this claim, providing it drops the case. This offer has been rejected. The final court hearing is imminent.
- 6.15. I have considered the likelihood that RNICE will be required to reimburse the policyholder for its legal costs. I have judgementsally selected this to be 50%, and, based on what I understand to have been the legal costs in other cases, I have assumed that the policyholder's legal costs will amount to €10k. I have also considered the likelihood that the Court will reject the findings of the CMR and will award the claimant an amount in excess of €25k. I consider the likelihood to be small (I have assumed 10%). In such an event, I have further assumed that the Court will award the total claimed amount. In Figure 6.2, above, I have reflected these probabilities in the column headed "*The likely magnitude of future claims payments (if any)*"
- 6.16. I note that it is possible that the Court would award a different amount, and that it is possible that, whatever verdict the Court reaches following its final hearing in March, that verdict might be appealed. My best estimate value of this claim is intended to represent the weighted average of the range of possible amounts to be received by the policyholder in respect of this claim after all possible routes to finalising the claim have been exhausted.

### **Claim 4**

- 6.17. RNICE has disallowed the claim as it believes that the legal action against the policyholder started in 2000, seven years prior to the policy being taken out, and was not disclosed at the time of the policy being written. The Court ruled that the policyholder was liable [REDACTED] and awarded the claimant €767k. It further ruled that RNICE should not be enjoined in the case, although its decision appears to have been based on the policyholder having been late in filing its application for RNICE to be enjoined. The policyholder appealed this judgement (but did not file the correct type of appeal for RNICE to be enjoined in the case). The Court of Appeal has very recently issued its verdict, confirming the decision of the first Court.
- 6.18. There remains a possibility that the policyholder will take the case to the Supreme Court and that the Supreme Court will rule that RNICE should be enjoined in the case. However, I consider the likelihood of this to be small (10%) – courts disapprove of parties in legal proceedings not following the rules. Furthermore, RNICE appears to have a strong case for the claim not to be covered under the policy due to non-disclosure – I have assumed that there is a 20% likelihood that a Court might consider the non-disclosure to be insufficient reason for the claim not to be met by RNICE. I note that RNICE has obtained a legal opinion that asserts that it is no longer legally possible for RNICE to be held liable for any part of this claim.

- 6.19. I also note that the Court's ruling (upheld by the Court of Appeal) identified that the co-defendant in the case (who was not covered by RNICE) was 20% liable [REDACTED]. Therefore, I have assumed that the severity of any claim awarded against RNICE would be 80% of the total award (i.e. 80% x €766,778 = €613,442).

#### **Claim 5**

- 6.20. [REDACTED]  
[REDACTED] The CMR indicates that both the doctor and policyholder are liable as claimed.
- 6.21. I understand that the Court, while finding against the policyholder (and the doctor), ruled that RNICE was not liable to cover the claim. This was expected as RNICE had been engaged in the trial not by the policyholder but by the doctor, with whom RNICE had no contractual relationship and no liability. However, the judge's reasoning appears to have been based on an erroneous assumption regarding whether the underlying policy was part of the business transferred from QBE to RNICE, and therefore RNICE has appealed the basis of the decision.
- 6.22. I understand that this claim was made in 2015 and that RNICE's coverage expired in 2010 (AmTrust was providing the cover in 2015). Therefore, the likelihood of the Court of Appeal (or the Supreme Court) ruling that RNICE should be required to meet the claim against the policyholder is small (I have assumed 5%). I further understand that the policyholder is benefiting from defence support provided directly by AmTrust.
- 6.23. Notwithstanding the culpability of a doctor not covered (in any circumstances) by RNICE, I would have assumed that, should RNICE be required to reimburse the policyholder for the claim against it, the amount would be equal to the policyholder's valuation of this claim (€2,263k). However, I have been told that the claimant wishes to settle quickly, and as such is probably prepared to agree to an amount materially less (which I have assumed to be 50%) than that claimed.

#### **Claim 6**

- 6.24. [REDACTED] The initial Court case found against the policyholder and awarded damages of €7,240.57, which amount was paid by the policyholder to the claimant and then by RNICE to the policyholder. However, the claimant has appealed the ruling and seeks a minimum of €48k in excess of all amounts already paid. The final Court of Appeal hearing took place on 24 October 2024, but its verdict has yet to be announced.
- 6.25. I have made a subjective assumption that it is 50% likely that the Court of Appeal will overturn the original judgement and will award the claimant a higher amount. It is unclear whether or not the maximum amount that the Court of Appeal would award would be equal to the €48k sought. In estimating the value of the claim, I have assumed that the mean value that the Court of Appeal would award would be €48k.

#### **Claim 7**

- 6.26. The policyholder and the claimant reached a settlement, in respect of this claim, for €2.4m, which the policyholder then paid. The policyholder then claimed this amount back from RNICE and, in a separate trial, the Court ordered RNICE to reimburse the policyholder.
- 6.27. RNICE has appealed this decision, and the judge has suspended the verdict. RNICE's appeal was based on two main points:
- it believes that, had the case gone to Court, the two doctors who were implicated in the case (and who were not insured by RNICE) would also have been found to be liable and would have had to share in the settlement cost;
  - the settlement was unreasonably high and that, based on the Milan tables, an amount close to €1.2m would have been reasonable. As such, RNICE has offered the policyholder €1m in respect of this claim, an offer that the policyholder has rejected as it continues to seek reimbursement of the total amount that it has paid to the claimant; and
  - on the fact that the legal action that has led to the claim against the policyholder had started before the policy was taken out and was not disclosed at the point of sale (the claim was notified to RNICE more than two years later).
- 6.28. There are also allegations that some clinical records relating to the case were forged.

- 6.29. Although it is possible that the Courts will rule in favour of the policyholder regarding coverage, it seems more likely to me (70:30) that they will recognise the non-disclosure and rule that the claim is not covered.
- 6.30. If the Courts do decide that RNICE should honour the claim, then it is uncertain to what extent they will recognise that the original award and the amounts paid by the policyholder were excessive and that RNICE should not be liable for those excessive amounts. For my valuation I have taken the mean severity to be the average of the amount paid by the policyholder and the amount assessed by RNICE (i.e. €1.8m).

#### **Claim 8**

- 6.31. The Court held the policyholder and one of its doctors liable to pay €6k, the claimants' having sought about €180k. RNICE has already paid 50% of this amount and the insurer of the doctor has paid the remaining 50%. The claimants appealed this verdict, but the Court of Appeal rejected the appeal and awarded legal fees to the defendants.
- 6.32. Any further appeal before the Supreme Court is time-barred. I have therefore valued this claim as zero.

#### **Claim 9**

- 6.33. I understand that RNICE has already paid the claimant in full as a final settlement. I am unaware of any ongoing appeal of the original Court award. Therefore, I believe that this claim has rightly been closed by RNICE and it has no outstanding value.

#### **Claim 10**

- 6.34. The original Court hearing held that the policyholder and another hospital were jointly liable to pay €430k. The policyholder (and RNICE) has already paid its share of €215k. The case went before the Court of Appeal, which reduced the policyholder's liability to €100k at the expense of the other defendant. RNICE has now recovered the overpayment (€115k) from the other hospital.
- 6.35. I have assumed the value of this claim to be nil, as it has been fully paid.

#### **Claim 11**

- 6.36. This claim has gone through several stages of criminal trial, with the Supreme Court granting the request for damages and holding the policyholder liable to pay an interim payment while the magnitude of the damages is determined. RNICE has not been enjoined in those trials. An attempt at mediation has been unsuccessful. RNICE has obtained legal advice that the damages awarded are likely to total approximately €2m. For voting purposes, the policyholder has submitted a claim value of €3.8m, which appears to be based on a worst-case scenario.
- 6.37. I have been unable to determine reliably my own estimate of the likely claim award. Therefore, for valuation purposes, I have assumed that the severity would be the average of the amount advised in the legal opinion and the value suggested by the policyholder.

### **POLICYHOLDER B**

- 6.38. In Figure 6.3, below, I list for each non-zero claim submitted by Policyholder B the vote valuations provided by the policyholder, by RNICE and by me. I also show the factors that I have selected in arriving at my best estimates (my values for each claim being the product of these three factors).

**FIGURE 6.3. VALUATIONS BY NON-ZERO CLAIM FOR POLICYHOLDER B, INCLUDING THE FACTORS SELECTED BY THE VOTE ASSESSOR FOR HIS BEST ESTIMATES (EUROS)**

	Vote valuations			Vote assessor's view of		
	Submitted by the Policyholder	Proposed by RNICE	Estimated by the Vote Assessor	The likelihood of the claim being covered	The likelihood of the Policyholder being deemed culpable	The likely magnitude of future claims payments (if any)
Claim 12	3,000,000	0	0	100%	0%	0
Claim 13	800,000	0	0	100%	100%	0
TOTAL	3,800,000	0	0			



### Claim 12

- 6.39. The initial Court case found in favour of the policyholder rather than the claimants. The claimants appealed this verdict, but the Court of Appeal proposed to the claimants that they abandon the case. We understand that this was accepted by all parties on 21 November 2024. Therefore, this case has been cancelled and the claim closed.
- 6.40. In the circumstances, I believe that there is negligible chance that this claim will be reopened and I have assigned it a nil value.

### Claim 13

- 6.41. This claim had already been before the Court of Appeal but was taken to the Supreme Court, which annulled the prior verdict and referred it back to the Court of Appeal. The deadline for the claim to be refiled expired on 9 October 2023. I understand that RNICE has received confirmation that the claim is now time-barred and can be closed. In these circumstances, I have attached a nil value to this claim.

## POLICYHOLDER C

- 6.42. In Figure 6.4, below, I list for each non-zero claim submitted by Policyholder C the vote valuations provided by the policyholder, by RNICE and by me. I also show the factors that I have selected in arriving at my best estimates (my values for each claim being the product of these three factors).
- 6.43. I note that, other than claim 13RC32174, RNICE has accepted that the claims listed below are covered under the insurance contracts. I also note that the policy wordings include, for many of the years, a per death claim sub-limit of €250k (this does not apply to other types of claim).

**FIGURE 6.4. VALUATIONS BY NON-ZERO CLAIM FOR POLICYHOLDER C, INCLUDING THE FACTORS SELECTED BY THE VOTE ASSESSOR FOR HIS BEST ESTIMATES (EUROS)**

	Vote valuations			The likelihood of the claim being covered	Vote assessor's view of		The likely magnitude of future claims payments (if any)
	Submitted by the Policyholder	Proposed by RNICE	Estimated by the Vote Assessor		The likelihood of the Policyholder being deemed culpable		
Claim 14	250,000	250,000	250,000	100%	100%		250,000
Claim 15	50,000	0	12,500	100%	25%		50,000
Claim 16	30,000	0	12,000	100%	40%		30,000
Claim 17	250,000	250,000	250,000	100%	100%		250,000
Claim 18	3,300,000	2,450,000	2,975,000	100%	100%		2,975,000
Claim 19	250,000	250,000	250,000	100%	100%		250,000
Claim 20	100,000	0	25,000	100%	25%		100,000
Claim 21	900,000	250,000	250,000	100%	100%		250,000
Claim 22	100,000	0	15,000	100%	15%		100,000
Claim 23	100,000	0	25,000	100%	25%		100,000
Claim 24	180,000	0	81,000	50%	100%		162,000
Claim 25	250,000	0	62,500	100%	25%		250,000
Claim 26	180,000	0	45,000	100%	25%		180,000
Claim 27	60,000	0	0	100%	100%		0
<b>TOTAL</b>	<b>6,000,000</b>	<b>3,450,000</b>	<b>4,253,000</b>				

### Claim 14

- 6.44. Both the policyholder and RNICE have assumed that the value of this claim is equal to the death claim sub-limit (€250k). I have assumed the same value.

### Claim 15

- 6.45. The Court found in favour of the policyholder rather than the claimant. The claimant has not appealed this verdict and I understand is no longer able to lodge an appeal. Therefore, my valuation of this claim is zero.

### Claim 16

- 6.46. [REDACTED] I understand that the CMR suggested that the policyholder was not liable. I have assumed it 60% likely that the Courts (through any and all appeals) will uphold this conclusion, I have no further information that indicates that (subject to culpability) the policyholder's proposed claim value is unreasonable. Therefore, I have assumed a claim severity equal to the claim value assumed by the policyholder.



**Claim 17**

- 6.47. Both the policyholder and RNICE have assumed that the value of this claim is equal to the sub-limit for death claims (€250k). I have assumed the same value.

**Claim 18**

- 6.48. The original Court proceedings resulted in the claimant being awarded €3.5m against the policyholder. Pending an appeal hearing, €2.1m of this award has been suspended.
- 6.49. I believe that the Court of Appeal will continue to find against the policyholder and that the claim will cost at least the €1.4m that has not been suspended. I understand that the remainder (€2.1m) of the original award was at least in part in respect of psychological trauma. RNICE considers that the compensation for such trauma was overstated (and that the Court of Appeal will agree). I believe that this view is not unreasonable. However, it is uncertain by how much the Court of Appeal will discount the original award. The policyholder's claim value for vote purposes assumes no discount; RNICE's equivalent value assumed 50% discount (of the suspended amount). I think it likely that the policyholder has assumed a more pessimistic value and RNICE a more optimistic value, and I have therefore assumed for my valuation a 25% discount of the suspended amount.

**Claim 19**

- 6.50. Both the policyholder and RNICE have assumed that the value of this claim is equal to the sub-limit for death claims (€250k). I have assumed the same value.

**Claim 20**

- 6.51. The Court of Appeal found in favour of the policyholder, rather than the claimant. The claimant has now appealed to the Supreme Court. It is uncertain whether the Supreme Court will overturn the verdict of the Court of Appeal. I consider that eventuality to be relatively small and have assumed subjectively a 25% likelihood.

**Claim 21**

- 6.52. The original Court found in favour of the policyholder, rather than the claimant, but the Court of Appeal overturned that verdict and awarded the claimant €1m. The policyholder is currently considering whether to appeal before the Supreme Court.
- 6.53. I note that this claim should be subject to the €250k sub-limit. For valuation purposes, I have assumed either that the policyholder will not appeal this verdict or that any appeal will result in an award against the policyholder of an amount at least equal to the sub-limit.

**Claim 22**

- 6.54. The original Court and the Court of Appeal both found in favour of the policyholder, rather than the claimant. The claimant has now appealed to the Supreme Court. It is uncertain whether the Supreme Court will overturn the verdict of the two earlier Courts. I consider that eventuality to be relatively small and have assumed subjectively a 15% likelihood.

**Claim 23**

- 6.55. The Court found in favour of the policyholder, rather than the claimant. The claimant has now appealed to this verdict. It is uncertain whether the Court of Appeal will overturn the verdict of the original Court (and if not whether the Supreme Court would find in favour of the claimant, if the claimant were to lodge a further appeal). I consider that eventuality to be relatively small and have assumed subjectively a 25% likelihood.

**Claim 24**

- 6.56. The Court has awarded €162k against the policyholder, which, together with RNICE, has appealed the verdict. However, RNICE believes that it will not be liable to reimburse the policyholder in respect of this claim due to the policyholder having been late in notifying RNICE.
- 6.57. For valuation purposes, I have assumed that the Court will uphold the award of €162k against the policyholder and that there is a 50% likelihood that it will also disallow RNICE's view that it should not be liable for the claim.

### Claim 25

- 6.58. The Court found in favour of the policyholder, rather than the claimant, in respect of this claim. The claimant has now appealed this verdict. It is uncertain whether the Court of Appeal will overturn the verdict of the original Court (and if not whether the Supreme Court would find in favour the claimant, if the claimant were to lodge a further appeal). I consider that eventuality to be relatively small and have assumed subjectively a 25% likelihood. I have also assumed that, should the verdict be overturned, the cost to RNICE would be capped by the per claim limit of €250k.

### Claim 26

- 6.59. The Court awarded €386k against the policyholder in respect of this claim. The claimants were dissatisfied with the amount awarded and have appealed.
- 6.60. RNICE has already paid the amount initially awarded. Therefore, the value of the claim is dependent on the likelihood of the Court of Appeal awarding an additional sum to the claimants, the policyholder's value being based on the Court of Appeal awarding the additional €180k sought, and RNICE's value being based on it not awarding an additional amount.
- 6.61. For valuation purposes, I have assumed that the probability-weighted average of the Court of Appeal's possible verdicts is equal to 25% of the additional amount sought by the claimants.

### Claim 27

- 6.62. I understand that this claim has been closed by RNICE after a final judgement in 2022 in favour of the policyholder and that no further appeal by the claimants is possible. I have therefore assessed the value of this claim as nil (even though I understand there to be an outstanding recovery to RNICE).

## POLICYHOLDER D

- 6.63. In Figure 6.5, below, I list for each non-zero claim submitted by Policyholder D the vote valuations provided by the policyholder, by RNICE and by me. I also show the factors that I have selected in arriving at my best estimates (my values for each claim being the product of these three factors).

**FIGURE 6.5. VALUATIONS BY NON-ZERO CLAIM FOR POLICYHOLDER D, INCLUDING THE FACTORS SELECTED BY THE VOTE ASSESSOR FOR HIS BEST ESTIMATES (EUROS)**

	Vote valuations			The likelihood of the claim being covered	Vote assessor's view of		The likely magnitude of future claims payments (if any)
	Submitted by the Policyholder	Proposed by RNICE	Estimated by the Vote Assessor		The likelihood of the Policyholder being deemed culpable		
Claim 28	50,000	50,000	50,000	100%	100%		50,000
Claim 29	200,000	75,000	137,500	100%	100%		137,500
Claim 30	52,000	0	39,000	100%	75%		52,000
Claim 31	100,000	45,000	45,000	100%	100%		45,000
Claim 32	1,000,000	1,000,000	1,000,000	100%	100%		1,000,000
Claim 33	100,000	0	50,000	100%	50%		100,000
Claim 34	890,504	672,000	832,000	100%	100%		832,000
Claim 35	184,519	0	118,000	100%	100%		118,000
Claim 36	1,538,758	652,000	1,575,000	100%	75%		2,100,000
Claim 37	520,000	300,000	153,750	100%	50%		307,500
Claim 38	1,000,000	1,000,000	607,500	100%	50%		1,215,000
<b>TOTAL</b>	<b>5,635,781</b>	<b>3,794,000</b>	<b>4,607,750</b>				

### Claim 28

- 6.64. [REDACTED] The amount claimed by the claimants is €100k. The first Court case resulted in a verdict in favour of the claimant but with an award much lower than that sought – €10k plus interest and legal costs (the policyholder and RNICE has already paid €15,412 in respect of this). The claimant has appealed this decision, and the Court of Appeal's verdict is pending.
- 6.65. Both the policyholder and RNICE consider €50k to be an appropriate value for this. I have no reason to consider that amount to be unreasonable and have assumed the same amount for my own valuation.

### **Claim 29**

- 6.66. RNICE has not been enjoined in the civil Court case to date (which is now at the Court of Appeal stage) and therefore it (and I) have little information on which to base a value. It is unclear whether the Court's judgement against the policyholder would be enforceable against RNICE (as it has not been party to the case) and I have been told that any claim made by the policyholder against RNICE in respect of this case might be time-barred. Notwithstanding those uncertainties, RNICE has obtained a legal opinion that, should an award be made against the policyholder it would likely be in the region of €75k. The value submitted by the policyholder is €200k.
- 6.67. In the absence of further information, I have assumed, for vote valuation purposes, a claim value equal to the average of the values proposed by RNICE and by the policyholder.

### **Claim 30**

- 6.68. The Court case in respect of this claim concluded in October 2024. However, in January 2025 a new Court medical expert was appointed, and he will produce a new CMR, which will replace the previous CMR that was favourable to the policyholder, rather than to the claimant. I have assumed the likelihood that the Courts will ultimately find in favour of the claimant to be 75%, and that, in such an eventuality, the award against the policyholder (and the cost to RNICE) will be equal to the value of the claim submitted by the policyholder.

### **Claim 31**

- 6.69. The Court case in respect of this claim concluded in June 2024 but the verdict is still pending. Both RNICE and the policyholder have assumed, for vote valuation purposes, that the Court will find in favour of the claimant and against the policyholder, and that, under the insurance policy, RNICE will then have to reimburse the policyholder for the amount awarded to the claimant. The policyholder has submitted a claim value that is equal to the amount claimed by the claimant (€100k) whereas RNICE has calculated a lesser value based on the amount that should be awarded according to the Milan tables.
- 6.70. I have assumed the same value as that submitted by RNICE.

### **Claim 32**

- 6.71. The Court case in respect of this claim [REDACTED] concluded in September 2024 but the verdict is still pending. Despite a report from the Court-appointed expert that was favourable to the policyholder rather than to the claimant, both RNICE and the policyholder have submitted, for vote valuation purposes, claim values based on the assumption that the Court ultimately finds in favour of the claimant, and makes an award of €1m.
- 6.72. While I think the likelihood the Courts ultimately finding in favour of the policyholder, not the claimant, is not immaterial, I also think it possible that, if they find against the policyholder, the Courts will ultimately award more than €1m. In the circumstances, and in the absence of more conclusive evidence, I consider the values submitted by both RNICE and the policyholder to be not unreasonable and have assumed the same amounts in my own valuation.

### **Claim 33**

- 6.73. The Court case in respect of this claim [REDACTED] is still ongoing. I understand that the CMR was favourable to the policyholder rather than to the claimant, but that a new Court medical expert has been appointed, who will produce a fresh CMR. The policyholder has submitted, for vote valuation purposes, a claim value based on the assumption that the Courts ultimately find in favour of the claimant; the equivalent value proposed by RNICE assumes that the Courts ultimately find in favour of the policyholder.
- 6.74. In the absence of further conclusive evidence, for vote valuation purposes, I consider it 75% likely that the Courts ultimately find in favour of the claimant, and I have assumed a severity equal to the claim value submitted by the policyholder.

### **Claim 34**

- 6.75. The Court awarded €672k against the policyholder in respect of this claim. The defendants in the claim have appealed the verdict but a request for suspension of the awarded amounts was declined for the policyholder/RNICE, although it was upheld for some of the other defendants. I consider that this augurs badly for the success of the policyholder's appeal.
- 6.76. I note that the original verdict identified the motorbike rider, who was involved in the incident underlying the claim, as being partially liable for the injuries in question. Therefore, there is a possibility that this third party will make a partial contribution to the amount awarded. However, for valuation purposes, I have made no allowance for this possible subrogation.
- 6.77. I note that the policyholder has been served with a seizure notice for €832k. I have used this as the severity amount.

### **Claim 35**

- 6.78. The Court case in respect of this claim awarded €700k against the policyholder, which has been paid and reimbursed by RNICE. The claimants appealed the verdict, requesting further damages, and the Court of Appeal has ordered the policyholder, jointly with five doctors, to pay a further €118k. RNICE declined to reimburse this amount as it believes that it is due a refund in respect of the payment that it has already made to the policyholder that the policyholder should have recovered from the co-defending doctors and that its liability in respect of the additional award should be offset against the pending recoveries.
- 6.79. While I consider RNICE's stance to be reasonable, I suspect that, in practice, the policyholder will be expected to make full payment of any additional sum awarded and then to pursue the doctors for them to reimburse the policyholder for their shares of the award. It is likely to take a long time to recover the monies from the doctors, if indeed they are ever recovered. I note that this is what happened in respect of the initial award and that, as far as I know, the policyholder has not yet been reimbursed by any of the doctors. For the purposes of my valuation, I have ignored the possibility that the policyholder (and RNICE) will be able to recover any monies against the co-defendant doctors. I have assumed the severity of the outstanding claim to be equal to the additional sum awarded by the Court of Appeal.

### **Claim 36**

- 6.80. The Court found in favour of the policyholder, rather than the claimant, in respect of this claim [REDACTED]. The claimants have appealed the verdict, the appeal hearings now being in their early stages. I note that both the policyholder and RNICE have, for vote valuation purposes, calculated values for this claim that assume that the appeal will be successful and that the policyholder will be found liable. However, it remains possible that the Court of Appeal (and the Supreme Court) will uphold the original verdict. Therefore, I have assumed a 75% likelihood that the first Court's verdict is overturned by the Court of Appeal.
- 6.81. I have seen a calculation made by RNICE of the potential cost of this claim, taking into account the 2024 Milan tables, inflation and interest payments, and legal fees. This calculation amounts to €2.1m, and is in excess of the value of the claim submitted by the policyholder, which was based on an earlier (and lower) assessment of the potential cost of this claim. For vote assessment purposes, I have assumed a claim severity equal to this recent assessment, i.e. €2.1m.

### **Claim 37**

- 6.82. [REDACTED] The policyholder was not cited in the criminal proceedings and has not been included in the civil proceedings either, the civil case now being before the Supreme Court. While it therefore appears that the value of this claim (to the policyholder) should be nil, there is a concern that, should the doctors involved in the matter be found responsible (at least in part) [REDACTED], they might try to involve their employer (i.e. the policyholder).
- 6.83. In their estimation of the value of this claim, both RNICE and the policyholder appear to have assumed that (i) the claim against the doctors will be upheld, (ii) the doctors will successfully involve the employer and (iii) the employer will have to meet 100% of whatever amount is awarded to the claimants. However, I cannot see why these three outcomes should be considered to be almost certain. For valuation purposes, I have assumed the mean likelihood of (i) and (ii) both occurring to be 50%.

- 6.84. I consider that should (i) and (ii) occur, the assumed severities underlying the valuations of both RNICE and the policyholder are within a reasonable range. Therefore, for my own valuation, I have assumed a severity equal to the average of those assumed by the policyholder and by RNICE. I have reduced this amount by 25% because I think it likely that the policyholder would not end up paying all of the award, that a portion of it would remain with the doctors.

### Claim 38

- 6.85. The Court and the Court of Appeal rejected the claimants' arguments and awarded legal costs awarded in favour of RNICE. However, the claimants have now filed an appeal at the Supreme Court on the basis that the earlier verdicts were based on an incorrect application of the law. The Writ of Summons received is €1m.
- 6.86. It is by no means certain how the Supreme Court will view the merits of this appeal. If it does uphold the appeal and send the case back to the Court of Appeal, then I consider it very likely that the Court of Appeal will change its view regarding the policyholder's culpability. I have judgementally assumed a 50% likelihood for this outcome.
- 6.87. It is also uncertain what award the Court of Appeal would make should it eventually decide in favour of the claimants. I have assumed a mean award of 90% of the writ amount, but I have added 35% to allow for interest between the date of the victim's death case and now.

## POLICYHOLDER E

- 6.88. In Figure 6.6, below, I list for each non-zero claim submitted by Policyholder E the vote valuations provided by the policyholder, by RNICE and by me (I note that there are two claims where Policyholder E has submitted no value but for which RNICE and I both feel a value should be ascribed). I also show the factors that I have selected in arriving at my best estimates (my values for each claim being the product of these three factors).

**FIGURE 6.6. VALUATIONS BY NON-ZERO CLAIM FOR POLICYHOLDER E, INCLUDING THE FACTORS SELECTED BY THE VOTE ASSESSOR FOR HIS BEST ESTIMATES (EUROS)**

Claim 39	0	23,650	23,650	100%	100%	23,650
Claim 40	200,000	200,000	200,000	100%	100%	200,000
Claim 41	500,000	0	514,400	100%	100%	514,400
Claim 42	1,525,000	1,525,000	1,525,000	100%	100%	1,525,000
Claim 43	150,000	150,000	150,000	100%	100%	150,000
Claim 44	50,000	0	5,000	100%	100%	5,000
Claim 45	0	2,940	2,940	100%	100%	2,940
Claim 46	77,500	55,000	66,250	100%	100%	66,250
Claim 47	1,000,000	800,000	810,000	90%	100%	900,000
Claim 48	790,000	790,000	790,000	100%	100%	790,000
Claim 49	209,574	207,000	207,000	100%	100%	207,000
Claim 50	1,490,000	1,490,000	1,490,000	100%	100%	1,490,000
Claim 51	140,000	50,000	140,000	100%	100%	140,000
Claim 52	25,000	25,000	25,000	100%	100%	25,000
Claim 53	100,000	0	100,000	100%	100%	100,000
Claim 54	525,000	556,200	556,200	100%	100%	556,200
Multiple claims	350,000	300,000	325,000	100%	100%	325,000
<b>TOTAL</b>	<b>7,132,074</b>	<b>6,174,790</b>	<b>6,930,440</b>			

### Claim 39

- 6.89. For vote valuation purposes, RNICE has calculated a value for this claim equal to the value indicated by the CMR. In the absence of further information, I have set my value to be equal to this. I note that the policyholder has not submitted a value for this claim.

### Claim 40

- 6.90. Although the policyholder and RNICE have already paid €976k in respect of this claim, the original award has been challenged in the Court of Appeal. Based on the Milan tables, both the policyholder and RNICE have calculated a likely additional award of €200k, taking into account interest payments. I consider that this estimate is reasonable. I have been told that the next hearing is scheduled for November 2025.

#### **Claim 41**

- 6.91. Some of the details of this case are unclear. I have been informed that the policyholder is attempting to settle the claim directly with the claimant for an amount that is just within the €357k aggregate deductible on the insurance contract. If that is the case and the settlement attempt were successful then the cost to RNICE would be zero and, for vote valuation purposes, the value of the claim would also be zero.
- 6.92. However, in the context of the claim itself, a settlement of this magnitude appears low, and it seems to me to be likely that, should this case go to Court, the Court is likely to award a higher amount. I have assumed the likelihood that the Court will set aside any agreed settlement to be 80% and that the mean value of a Court award would be €1m (RNICE's costs would be that amount less the €357k aggregate deductible).

#### **Claim 42**

- 6.93. The judge in the trial for this claim (the trial is currently ongoing) earlier suggested that claimants should drop the case, in part because the CMR prepared for the Court suggested that the policyholder should not be held liable for the claim. Therefore, RNICE originally valued this claim at zero. However, the CMR also highlighted that the medical records were incomplete. Incomplete medical records can be taken as an indication of professional negligence. Therefore, RNICE's value is now in line with that of the policyholder. I have set my value of this claim to be equal to that of the policyholder and RNICE.

#### **Claim 43**

- 6.94. This claim [REDACTED] has been settled for €558k and that RNICE has paid this amount. However, the claimant has appealed this award, claiming additional heads of damage. RNICE has received legal advice that suggests that, should the appeal be successful, the additional award could be up to €300k. However, neither it nor the policyholder expect the appeal to be fully successful and therefore expect an additional award of about €150k. Having discussed this with RNICE, I consider this to be effectively a best estimate of the eventual outcome and have adopted this as my value of the claim.

#### **Claim 44**

- 6.95. This is a relatively small claim. The judge in the case has proposed that the claim be settled for less than €1k. Allowing for some legal costs, I have valued this claim at €5k.

#### **Claim 45**

- 6.96. Although the policyholder has attached no value to this claim, I note that RNICE has recorded an outstanding amount of €2,940.34 and I have correspondingly selected that amount as the value of this claim.

#### **Claim 46**

- 6.97. This is another relatively small claim. I note that RNICE and the policyholder have assumed values that differ but not greatly. I have taken as my value the average of the values set by RNICE and the policyholder.

#### **Claim 47**

- 6.98. Although this claim has already been subject to what was supposed to be a full and final out-of-Court settlement of €2.6m, the claimants have lodged a further appeal before the Supreme Court, requesting an additional €1.4m (this case has already been through four courts).
- 6.99. Both RNICE and the policyholder consider it likely that the Supreme Court will reopen the case as an earlier Court hearing had proposed a higher settlement amount. I agree, but, as it is not certain, I have assumed 90% likelihood.
- 6.100. RNICE and the policyholder have proposed similar value that appear not unreasonable to me. I have therefore selected as my value the average of these two values.

#### **Claim 48**

- 6.101. RNICE and the policyholder have proposed the same value. I have little information on this claim and have therefore selected the same value



### Claim 49

- 6.102. This claim has been settled with the claimant for €1.05m, although RNICE has yet to pay its share of the claim. An aggregate deductible applies to this year of account, of which roughly €840k remains. Net of the aggregate deductible, RNICE will have to pay the policyholder roughly €207k, which is the value that I have assumed.

### Claim 50

- 6.103. Having lost the first Court case, the claimants were successful on appeal. The value selected by both RNICE and the policyholder is equal to the amount awarded by the Court of Appeal. I have similarly selected this amount.

### Claim 51

- 6.104. This claim has yet to go to Court, and RNICE has not been provided with the relevant clinical records. As such, it cannot estimate a reasonably reliable value for this claim. In the circumstances, I have relied on the policyholder's selected value for my valuation (while noting that it is not clear whether the policyholder has sufficient information with which to estimate a reasonable value).

### Claim 52

- 6.105. Although the original Court verdict was favourable to the policyholder/RNICE, the claimants have appealed, and the final hearing of the Court of Appeal is not scheduled until later 2025. I have no further information regarding this claim, but I note that RNICE and the policyholder have selected the same value for this claim and that it is relatively small. Therefore, I have also selected this amount as my valuation.

### Claim 53

- 6.106. RNICE has closed this claim for dormancy and has placed a nil value on it. However, I understand that it is not yet time-barred and the policyholder values the claim at €100k. I have no further information regarding this claim and have selected as my valuation the value proposed by the policyholder.

### Claim 54

- 6.107. This claim relates to a case settled by another hospital in which the policyholder was held to be partially liable. The settlement amount was €1.854m and the policyholder's share of this award is expected to be about 30%. I note that, on this basis, my value and that of RNICE are identical, and marginally larger than that of the policyholder.

### Multiple claims

- 6.108. I understand that these are roughly 80 claims [REDACTED]. RNICE has been negotiating with the policyholder a commutation of these claims and had offered €300k. I have assumed that a fair aggregate value for these would be the average of this amount and the policyholder's valuation (€350k).

## POLICYHOLDER F

- 6.109. In Figure 6.7, below, I list for each non-zero claim submitted by Policyholder F the vote valuations provided by the policyholder, by RNICE and by me. I also show the factors that I have selected in arriving at my best estimates (my values for each claim being the product of these three factors).

**FIGURE 6.7. VALUATIONS BY NON-ZERO CLAIM FOR POLICYHOLDER F, INCLUDING THE FACTORS SELECTED BY THE VOTE ASSESSOR FOR HIS BEST ESTIMATES (EUROS)**

	Vote valuations			The likelihood of the claim being covered	Vote assessor's view of The likelihood of the Policyholder being deemed culpable	The likely magnitude of future claims payments (if any)
	Submitted by the Policyholder	Proposed by RNICE	Estimated by the Vote Assessor			
Claim 55	2,750,000	2,750,000	2,750,000	100%	100%	2,750,000
Claim 56	300,000	150,000	131,250	100%	75%	175,000
Claim 57	2,850,000	2,850,000	2,850,000	100%	100%	2,850,000
<b>TOTAL</b>	<b>5,900,000</b>	<b>5,750,000</b>	<b>5,731,250</b>			

### Claim 55

- 6.110. The Court hearings to date concerning this claim have resulted in verdicts that were unfavourable to the policyholder. Although the policyholder has appealed the verdicts to the Supreme Court, it has assumed for valuation purposes that the Supreme Court will not overturn the earlier verdicts and that the €2.9m awarded to date will be upheld. The valuations of both RNICE and the policyholder (which are identical) have allowed for the per claim deductible of €150k.
- 6.111. Although the Supreme Court might send the case back to the Court of Appeal for reconsideration, I agree with RNICE and the policyholder that it is unlikely and therefore I have assumed as my valuation the same value as assumed by RNICE and the policyholder.

### Claim 56

- 6.112. [REDACTED]  
[REDACTED] The first Court case found against the policyholder and the co-defendant doctor, and awarded the claimants €246,109 (less than the €310,588 that had been claimed) plus legal costs €12,000 plus accessories. However, the defendants successfully appealed this verdict, and the claimants have now counter-appealed to the Supreme Court.
- 6.113. I have assumed that the likelihood of the claimants being successful in their appeal to the Supreme Court is 75%. If the appeal were to be unsuccessful then the value of the claim would be nil. However, if successful, I have assumed that the award will be somewhere between the €311k sought and the €246k, plus interest and expenses (say €325k in total), less the per claim deductible (€150k)

### Claim 57

- 6.114. [REDACTED]  
[REDACTED]
- 6.115. The initial criminal proceedings – concerning the alleged forgery of relevant medical records - were dismissed. The civil Court also rejected the claim, the Court's medical expert having explained that, in his view, it was highly probable that the damage suffered [REDACTED] was caused by [REDACTED]  
[REDACTED]. However, he also noted that the possibility could not be excluded that damage might have occurred [REDACTED], aggravating damage already in place.
- 6.116. The claimants appealed this verdict, and the Court of Appeal has referred the proceedings back to the evidence-gathering stage, on the basis that there was insufficient documentary evidence to decide the matter. Subsequently, there has been a CMR that appears to demonstrate a causal link between certain medical readings taken [REDACTED] and the present impairment.
- 6.117. RNICE and the policyholder have both assumed that they will ultimately lose this case and that about €3m will be awarded against the policyholder. Net of the €150k per claim deductible, this gives a claim value of €2.85m. I consider this value to be reasonable and have assumed it for my own valuation.

### POLICYHOLDER G

- 6.118. In Figure 6.8, below, I list for the claim submitted by Policyholder G the vote valuations provided by the policyholder, by RNICE and by me. I also show the factors that I have selected in arriving at my best estimate (my estimate of the value of the claim being the product of these three factors).

**FIGURE 6.8. VALUATIONS BY NON-ZERO CLAIM FOR POLICYHOLDER G, INCLUDING THE FACTORS SELECTED BY THE VOTE ASSESSOR FOR HIS BEST ESTIMATES (EUROS)**

	Vote valuations			The likelihood of the claim being covered	Vote assessor's view of		The likely magnitude of future claims payments (if any)
	Submitted by the Policyholder	Proposed by RNICE	Estimated by the Vote Assessor		The likelihood of the Policyholder being deemed culpable		
Claim 58	178,168	160,000	160,000	100%	100%		160,000
<b>TOTAL</b>	<b>178,168</b>	<b>160,000</b>	<b>160,000</b>				



### Claim 58

- 6.119. This Court's initial verdict was in favour of the claimants and against the policyholder. On appeal, the damages awarded were reduced to €347k plus €10k for expenses. It is possible that a further appeal might be lodged by either side (to increase or to reduce further the magnitude of the award) I am unaware that any such appeal is currently on the horizon. Therefore, I think that this latest judgement (i.e. €357k) is the best basis for a vote value.
- 6.120. I note that RNICE has already paid €197k to the claimants. Therefore, my valuation of this claim is €160k, the same value as assumed by RNICE.

### POLICYHOLDER H

- 6.121. In Figure 6.9, below, I list for each non-zero claim submitted by Policyholder H the vote valuations provided by the policyholder, by RNICE and by me (I note that there is one claim where Policyholder H has submitted no value but for which RNICE and I both feel a value should be ascribed). I also show the factors that I have selected in arriving at my best estimates (my values for each claim being the product of these three factors).

**FIGURE 6.9. VALUATIONS BY NON-ZERO CLAIM FOR POLICYHOLDER H, INCLUDING THE FACTORS SELECTED BY THE VOTE ASSESSOR FOR HIS BEST ESTIMATES (EUROS)**

	Vote valuations			Vote assessor's view of		
	Submitted by the Policyholder	Proposed by RNICE	Estimated by the Vote Assessor	The likelihood of the claim being covered	The likelihood of the Policyholder being deemed culpable	The likely magnitude of future claims payments (if any)
Claim 59	400,000	0	0	100%	100%	0
Claim 60	0	10,000	0	100%	100%	0
Claim 61	50,000	0	0	100%	100%	0
Claim 62	500,000	0	0	100%	100%	0
<b>TOTAL</b>	<b>950,000</b>	<b>10,000</b>	<b>0</b>			

### Claim 59

- 6.122. I understand that, following the final judgement of the Supreme Court in July 2024, this claim has been fully settled and paid by RNICE. Therefore, I concur with RNICE's view that the value of this claim is zero.

### Claim 60

- 6.123. I understand that this is a relatively small claim for which the policyholder believes that it has no liability and to which it has therefore assumed a nil value. RNICE has attached a value of €10k to this but I do not understand on what basis and have therefore valued this claim at zero, the same as the policyholder.

### Claim 61

- 6.124. I understand that the claimants withdrew for the Court case in June 2024 and that no further Court action is pending. Therefore, RNICE has assumed a nil value for this, a value with which I concur.

### Claim 62

- 6.125. This case [REDACTED] proceeded through various criminal courts, which ultimately cleared the policyholder of any criminal wrongdoing. Since the final decision from the Supreme Criminal Court, there has been no activity relating to a civil claim and RNICE has valued the claim at zero on the assumption that there will not be any future activity either. I consider both that assumption and that nil value to be reasonable.

### POLICYHOLDER I

- 6.126. In Figure 6.10, below, I list for each non-zero claim submitted by Policyholder I the vote valuations provided by the policyholder, by RNICE and by me. I also show the factors that I have selected in arriving at my best estimates (my values for each claim being the product of these three factors).

**FIGURE 6.10. VALUATIONS BY NON-ZERO CLAIM FOR POLICYHOLDER I, INCLUDING THE FACTORS SELECTED BY THE VOTE ASSESSOR FOR HIS BEST ESTIMATES (EUROS)**

	Vote valuations			The likelihood of the claim being covered	Vote assessor's view of The likelihood of the Policyholder being deemed culpable	The likely magnitude of future claims payments (if any)
	Submitted by the Policyholder	Proposed by RNICE	Estimated by the Vote Assessor			
Claim 63	30,000	15,140	15,140	100%	100%	15,140
Claim 64	400,000	340,734	340,734	100%	100%	340,734
Claim 65	650,000	15,000	255,000	100%	50%	510,000
Claim 66	400,000	10,000	105,000	100%	100%	105,000
Claim 67	500,000	0	25,000	100%	5%	500,000
<b>Total</b>	<b>1,980,000</b>	<b>380,874</b>	<b>740,874</b>			

### Claim 63

- 6.127. [REDACTED] The Court's verdict, which has since been confirmed by the Supreme Court, was against the policyholder and has resulted in RNICE settling the claim for €288k. The Supreme Court has also awarded €15k to meet the claimants' legal fee. This amount remains the only outstanding costs to RNICE and so both RNICE and I have assumed this to be our value of this claim.

### Claim 64

- 6.128. [REDACTED] RNICE has already paid a substantial amount (€773k) relating to this claim. However, the son of the deceased was not included within the original trial and has submitted a claim. As the Courts have already found against the policyholder in respect of the other claimants, I would expect them to similarly find in favour of the son's claim. According to the Milan tables, he would be expected to be awarded about €340k, which is the value that RNICE has placed upon this claim. I consider that to be a reasonable value.

### Claim 65

- 6.129. [REDACTED] The Court has considered the case and, although it has found against the policyholder, the amount awarded by the judge to the claimant (€14k) is significantly less than the €700k that the claimant had sought.
- 6.130. If this award is not contested via the Court of Appeal (and maybe the Supreme Court) then the cost to RNICE is nil, as there is a per claim deductible of €50k. However, I think it very likely that the claimant will appeal and possible that ultimately a higher award will be made. For the purposes of my valuation, I have assumed the likelihood of an appeal being successful would be 50%. I have further assumed that the best estimate of the revised award would be considerably more than the current award but less than the full amount sought – I have assumed that it would be 80% of the amount sought, and I have then reduced the value of such an award for the €50k deductible.

### Claim 66

- 6.131. [REDACTED] The doctor concerned was subject to criminal proceedings, which found him guilty of malpractice and resulted in RNICE paying €75k as a provisional payment (I have been informed that the doctor's professional indemnity insurer, Allianz, might also have paid a sum to the claimants, although that is not certain).
- 6.132. The unusual aspect of this claim is that the claimants made a further request for compensation, but the child appears to have suffered no ill-effects from its negligent treatment. The documentation provided with the claim is inadequate for RNICE to form a medical view of the merits of the claim. There also remains uncertainty regarding the degree to which Allianz is also liable for this claim, although I note that RNICE and Allianz have together offered €20k (€10k each) to the claimant in an attempt to settle this claim. The claimant did not respond to that, but it indicates to me that Allianz and RNICE would be prepared to share evenly the liability for this claim.

- 6.133. RNICE has valued the claim equal to the offer that it has made to the claimant (€10k). It is not clear to me on what basis the policyholder has set its claim value, but I presume it to be the amount claimed by the claimant. I would expect the actual value of the claim would depend heavily on the CMR, but that is not yet available. Therefore, in my valuation, I have set the severity of the claim equal to the average of the policyholder's value and the offer made by RNICE and Allianz to the claimant, reduced by 50% to allow for Allianz taking its share.

#### Claim 67

- 6.134. [REDACTED]
- There was a criminal trial, but RNICE has been unable to find any information regarding the outcome of the criminal trial. RNICE commissioned a medical report, which concluded favourably for the policyholder.
- 6.135. The last material contact that the policyholder and RNICE had with the claimant was in 2016. Since then, there has been a public investigation, which asked some questions that caused RNICE (which had already closed the claim due to a lack of activity) to reopen the claim. However, on re-examination, it continues to believe that the policyholder has no case to answer and, as there continues to be no contact with the claimant, it has once again closed the claim due to dormancy.
- 6.136. While it is possible that this will reopen and will end up with a Court awarding against the policyholder and RNICE, I think it highly unlikely and have attached a probability of just 5% to that eventuality. I have used as my severity assumption the value placed on this claim by the policyholder.

#### POLICYHOLDER J

- 6.137. In Figure 6.11, below, I list for each non-zero claim submitted by Policyholder J the vote valuations provided by the policyholder, by RNICE and by me. I also show the factors that I have selected in arriving at my best estimates (my values for each claim being the product of these three factors).

**FIGURE 6.11. VALUATIONS BY NON-ZERO CLAIM FOR POLICYHOLDER J, INCLUDING THE FACTORS SELECTED BY THE VOTE ASSESSOR FOR HIS BEST ESTIMATES (EUROS)**

	Vote valuations			The likelihood of the claim being covered	Vote assessor's view of The likelihood of the Policyholder being deemed culpable	The likely magnitude of future claims payments (if any)
	Submitted by the Policyholder	Proposed by RNICE	Estimated by the Vote Assessor			
Claim 68	480,000	0	0	100%	100%	0
Claim 69	465,000	0	30,000	15%	100%	200,000
Claim 70	25,000	0	6,538	100%	80%	8,173
<b>TOTAL</b>	<b>970,000</b>	<b>0</b>	<b>36,538</b>			

#### Claim 68

- 6.138. This case was initially won by the policyholder then lost on appeal. RNICE has paid €442,478 in settlement of the award made by the Court of Appeal but has requested the Supreme Court to consider purely the coverage aspect. Depending on the verdict of the Supreme Court, either there is nothing left for RNICE to pay or RNICE should be recovering at least some of the amount that it has already paid. RNICE has placed a nil value on this claim, and I agree.

#### Claim 69

- 6.139. The first Court and the Court of Appeal both found that RNICE had no liability, due to the claim being notified after cover had ceased, but the policyholder has further appealed these verdicts to the Supreme Court.
- 6.140. I understand that, although the claim was notified after cover ceased, the policyholder had provided a precautionary advice within the cover period. I have judgementally assumed that the likelihood of the Supreme Court overruling the first two judgements is 15%. Following further discussions with RNICE, I have further assumed that, should the Supreme Court rule against RNICE regarding the coverage issue, then RNICE would have to pay €200k. This is net of the €25k per claim deductible.

## Claim 70

- 6.141. [REDACTED] The claimant has requested €66,345, RNICE proposed offering €5,835 on the basis of the in-house medical report, and the policyholder rejected RNICE's proposal, and instead the offer made was just €2,000. The claimant rejected the offer and mediation has been unsuccessful.
- 6.142. Noting that RNICE and the policyholder agreed to make an offer to settle this claim early, I have assumed that they accept that the claimant has a reasonable case and therefore it is likely (say 80%) that a Court would award damages in favour of the claimant, but I have also accepted RNICE's view that, in such circumstances, the school would be held 50% liable (in Figure 6.11, above, I allow for this within the severity figure, rather than under culpability). I note that this policy includes a €25k per claim deductible. I have no information on which to assess the likely severity of an award and have assumed a severity equal to the amount requested, less the deductible.

## POLICYHOLDER K

- 6.143. In Figure 6.12, below, I list for the non-zero claim submitted by Policyholder K the vote valuations provided by the policyholder, by RNICE and by me. I also show the factors that I have selected in arriving at my best estimate (my estimate of the value of the claim being the product of these three factors).

**FIGURE 6.12. VALUATIONS BY NON-ZERO CLAIM FOR POLICYHOLDER K, INCLUDING THE FACTORS SELECTED BY THE VOTE ASSESSOR FOR HIS BEST ESTIMATES (EUROS)**

	Vote valuations			The likelihood of the claim being covered	Vote assessor's view of The likelihood of the Policyholder being deemed culpable	The likely magnitude of future claims payments (if any)
	Submitted by the Policyholder	Proposed by RNICE	Estimated by the Vote Assessor			
Claim 71	229,614	1	10,000	5%	100%	200,000
<b>TOTAL</b>	<b>229,614</b>	<b>1</b>	<b>10,000</b>			

## Claim 71

- 6.144. The policyholder is currently in receivership and activities that would usually be conducted by the policyholder are now being performed by its receiver.
- 6.145. The underlying policy includes a per claim deductible of €200k. The Court awarded damages against the policyholder totalling €227k but confirmed that, due to the deductible, RNICE's share of the claim was just €27k. RNICE has paid that amount. However, the receiver appealed the verdict to convince the Court of Appeal to set aside the deductible and to hold RNICE liable to pay the full amount.
- 6.146. I consider that it is very unlikely, although not impossible, that the Court of Appeal (and then the Supreme Court) would overrule a contractual term that was reasonable, usual and entered into willingly by both parties. I have assumed a probability of 5% of this occurring.

## POLICYHOLDER L

- 6.147. In Figure 6.13, below, I list for each non-zero claim submitted by Policyholder L the vote valuations provided by the policyholder, by RNICE and by me. I also show the factors that I have selected in arriving at my best estimates (my values for each claim being the product of these three factors).

**FIGURE 6.13. VALUATIONS BY NON-ZERO CLAIM FOR POLICYHOLDER L, INCLUDING THE FACTORS SELECTED BY THE VOTE ASSESSOR FOR HIS BEST ESTIMATES (EUROS)**

	Vote valuations			The likelihood of the claim being covered	Vote assessor's view of The likelihood of the Policyholder being deemed culpable	The likely magnitude of future claims payments (if any)
	Submitted by the Policyholder	Proposed by RNICE	Estimated by the Vote Assessor			
Claim 72	200,000	0	30,000	100%	20%	150,000
Claim 73	270,000	140,000	205,000	100%	100%	205,000
Claim 74	20,000	0	0	0%	100%	20,000
Claim 75	33,115	0	0	0%	100%	33,115
Claim 76	30,000	0	0	0%	100%	30,000
Claim 77	620,000	0	0	0%	100%	160,000
<b>TOTAL</b>	<b>1,173,115</b>	<b>140,000</b>	<b>235,000</b>			

### **Claim 72**

- 6.148. RNICE paid €442,294 following the first Court verdict. However, this verdict was overturned by the Court of Appeal and RNICE has started to recover the payment already made (it has so far recovered €150k). The claimant has appealed this verdict to the Supreme Court.
- 6.149. In its valuation, RNICE considers that the claimants' appeal to the Supreme Court will fail. In my valuation, I have assumed that there is a relatively small (20%) likelihood that the Supreme Court will overturn the verdict of the Court of Appeal, in which case RNICE would be liable to return the amount that has already been refunded (€150k).
- 6.150. In my valuation, I have ignored the counter-scenario of the Supreme Court upholding the Court of Appeal's verdict and requiring the remaining €292k to be refunded to RNICE.

### **Claim 73**

- 6.151. [REDACTED] The most recent request for compensation was received over three years ago. Although there has been no recent activity on this claim, it is not yet time-barred.
- 6.152. Both the policyholder and RNICE consider that, if the claim were valid, it would cost roughly €330k (prior to the €50k per claim deductible). Given [REDACTED] the recent dormancy of the claim, RNICE has assumed that it is 50% likely to prove to be valid, whereas the policyholder has assumed its validity to be nearly 100% likely. I have assumed for my valuation of this claim the average of the RNICE and policyholder values.

### **Claim 74**

- 6.153. [REDACTED] A request for compensation was received in June 2020 but since then there has been no activity. An internal medical report ruled out liability.
- 6.154. RNICE has closed this claim due to dormancy and has assumed in its valuation that it will not be reopened. Although I do not consider that to be certain, I agree that it is unlikely and, in view of the relative insignificance of this claim, I have assumed a nil value in line with that assumed by RNICE.

### **Claim 75**

- 6.155. [REDACTED] A request for compensation was received in November 2017 but since then there has been no activity.
- 6.156. RNICE has closed this claim due to dormancy and has assumed in its valuation that it will not be reopened. Although I do not consider that to be certain, I agree that it is unlikely and, in view of the relative insignificance of this claim, I have assumed a nil value in line with that assumed by RNICE.

### **Claim 76**

- 6.157. [REDACTED]  
[REDACTED] The last contact with the claimant was in 2014.
- 6.158. RNICE has closed this claim due to dormancy and has assumed in its valuation that it will not be reopened. Although I do not consider that to be certain, I agree that it is unlikely, especially as it may now be time-barred. I have assumed a nil value in line with that assumed by RNICE.

### **Claim 77**

- 6.159. The most recent contact from the claimant [REDACTED] was in December 2014. I understand that it became time-barred in December 2024. I have therefore assumed that it has nil value.

### **POLICYHOLDER M**

- 6.160. In Figure 6.14, below, I list for each non-zero claim submitted by Policyholder M the vote valuations provided by the policyholder, by RNICE and by me. I also show the factors that I have selected in arriving at my best estimates (my values for each claim being the product of these three factors).

**FIGURE 6.14. VALUATIONS BY NON-ZERO CLAIM FOR POLICYHOLDER M, INCLUDING THE FACTORS SELECTED BY THE VOTE ASSESSOR FOR HIS BEST ESTIMATES (EUROS)**

	Vote valuations			The likelihood of the claim being covered	Vote assessor's view of The likelihood of the Policyholder being deemed culpable	The likely magnitude of future claims payments (if any)
	Submitted by the Policyholder	Proposed by RNICE	Estimated by the Vote Assessor			
Claim 78	1,077,815	1,077,815	431,126	100%	40%	1,077,815
Claim 79	660,015	660,015	660,015	100%	100%	660,015
Claim 80	1,500,000	1,500,000	1,200,000	80%	100%	1,500,000
<b>TOTAL</b>	<b>3,237,830</b>	<b>3,237,830</b>	<b>2,291,141</b>			

### Claim 78

- 6.161. [REDACTED] Currently, a criminal trial is proceeding, and a civil case is likely to follow.
- 6.162. RNICE and the policyholder agree that €1,078k is a reasonable assumption for the net cost of this claim, assuming that the policyholder's liability is established. The question is how likely it would be that the Courts would establish such liability. I note that two internal experts who were commissioned by the policyholder/RNICE to review the merits of the case have ruled out liability on the part of the policyholder. I further note that the expert appointed to report to the criminal court has also ruled out the policyholder's liability (albeit that the expert noted that the condition that led to the death would probably have been promptly detected and treated had there been the appropriate equipment available at the time of admission, and that the victim might then have survived).
- 6.163. It is possible, although unlikely in my view, that the criminal trial will set aside the expert medical view and will find against the policyholder. Even if the criminal trial does not find the policyholder liable, it is possible that a subsequent civil trial, where the burden of proof differs from that for a criminal trial, would reach a different verdict. It would be likely to be influenced by its own CMR, which would not necessarily conclude the same as the internal medical experts or the expert appointed by the criminal court. Therefore, notwithstanding the conclusions of these aforementioned medical experts, there is a material possibility that a civil court would rule that the policyholder was liable (at least in part) for the victim's death.
- 6.164. How likely is it that a Court would determine that the policyholder was liability? In their valuations, despite the expert reports concluding that there is no liability, both the policyholder and RNICE have assumed that liability is absolutely certain. I consider that to be excessive. As the only medical reports to date indicate no liability then I consider it more likely than not that the Courts will conclude similarly. Therefore, I have judgementsally assumed it 40% likely that the Courts will, ultimately, issue a verdict against the policyholder.

### Claim 79

- 6.165. RNICE and the policyholder are in agreement that this claim appears reasonable and for a reasonable amount, and they have therefore both submitted claim values of €660,015.
- 6.166. While it is not certain that the claim will cost this amount, I have no reason to think that this value is unreasonable and have therefore assumed the same claim value.

### Claim 80

- 6.167. It was thought that this claim [REDACTED] had been time-barred, there having been no contact with the claimant [REDACTED] since 2010. However, RNICE has recently become aware that, in 2015, the third-party administrator granted, on RNICE's behalf, the direct defence in the mediation. Moreover, while it was thought that RNICE had issued to the claimant a denial of coverage letter, it is apparent that coverage was rejected only by Zurich (which provided the policyholder with high level cover for this year of account).
- 6.168. While I agree with the view of RNICE and the policyholder that this claim would be covered under the policy, in view of the lack of recent activity, it is not absolutely certain that the claim will be pursued. Therefore, in my valuation, I have assumed a likelihood of 20% that it will not be pursued further before it is time-barred.

## POLICYHOLDER N

6.169. In Figure 6.15, below, I list for each non-zero claim submitted by Policyholder N the vote valuations provided by the policyholder, by RNICE and by me. I also show the factors that I have selected in arriving at my best estimates (my values for each claim being the product of these three factors).

**FIGURE 6.15. VALUATIONS BY NON-ZERO CLAIM FOR POLICYHOLDER N, INCLUDING THE FACTORS SELECTED BY THE VOTE ASSESSOR FOR HIS BEST ESTIMATES (EUROS)**

	Vote valuations			The likelihood of the claim being covered	Vote assessor's view of The likelihood of the Policyholder being deemed culpable	The likely magnitude of future claims payments (if any)
	Submitted by the Policyholder	Proposed by RNICE	Estimated by the Vote Assessor			
Claim 81	4,320	0	0	100%	0%	4,320
Claim 82	20,000	0	19,000	95%	100%	20,000
Claim 83	30,000	0	24,000	80%	100%	30,000
Claim 84	10,000	0	2,000	20%	100%	10,000
Claim 85	18,000	0	3,600	20%	100%	18,000
Claim 86	20,000	0	5,000	25%	100%	20,000
Claim 87	20,000	0	2,000	10%	100%	20,000
Claim 88	50,000	0	0	0%	100%	50,000
Claim 89	20,000	0	0	0%	100%	20,000
Claim 90	350	0	350	100%	100%	350
<b>TOTAL</b>	<b>192,670</b>	<b>0</b>	<b>55,950</b>			

### Claim 81

6.170. RNICE has already paid the claim, and I understand that there is no possibility that it will be required to pay any further amounts. Therefore, the value of this claim should be zero.

### Claim 82

6.171. [REDACTED] RNICE has closed this claim due to dormancy (the last request for damages was received in March 2019). If not pursued by the claimant, it will be time-barred in March 2029.

6.172. In my view it is too early to assume that the claim will not reopen. Indeed, I have assumed it 95% likely to reopen. I also consider €20k to be a reasonable amount to assume as the severity.

### Claim 83

6.173. [REDACTED] RNICE has closed this claim due to dormancy (there have been no further updates since mediation in 2016). If not pursued by the claimant, it will be time-barred in October 2026.

6.174. In my view it is too early to assume that the claim will not reopen. Indeed, I have assumed it 80% likely to reopen. I also consider €30k to be a reasonable amount to assume as the severity.

### Claim 84

6.175. [REDACTED] RNICE has closed this claim due to dormancy (the last request for damages was in November 2014). It should have been time-barred in November 2024. I accept that there might be arguments to say that it is not yet time-barred and have therefore assumed 20% likelihood.

### Claim 85

6.176. [REDACTED] RNICE has closed this claim due to dormancy (the last request for damages was in November 2014). It should have been time-barred in November 2024. I accept that there might be arguments to say that it is not yet time-barred and have therefore assumed 20% likelihood.

### Claim 86

6.177. I have no information regarding the nature of this claim but know that RNICE has closed it due to dormancy (the last request for damages was in December 2014). It should have been time-barred in December 2024. I accept that there might be arguments to say that it is not yet time-barred and have therefore assumed 25% likelihood.



### Claim 87

- 6.178. [REDACTED] RNICE has closed this claim due to dormancy (the last request for damages was in June 2014). It should have been time-barred in June 2024. I accept that there might be arguments to say that it is not yet time-barred and have therefore assumed 10% likelihood.

### Claim 88

- 6.179. [REDACTED] RNICE has closed this claim due to dormancy (the last request for damages was in March 2013). It should have been time-barred in March 2023. Like RNICE, I have assumed that it is now time-barred and have assigned it a nil value.

### Claim 89

- 6.180. [REDACTED] RNICE has closed this claim due to dormancy (the last request for damages was in April 2011). It should have been time-barred in April 2021. Like RNICE, I have assumed that it is now time-barred and have assigned it a nil value.

### Claim 90

- 6.181. [REDACTED] In 2019, the workers' compensation insurer that was also involved in the claim, sent RNICE a request for damages for €268.59 + €50 as legal fees. In view of the very small amount of this claim, I have accepted the policyholder's valuation as my own as I consider that any further analysis of this claim would make little difference to my overall valuation.

## POLICYHOLDER O

- 6.182. In Figure 6.16, below, I list for each non-zero claim submitted by Policyholder O the vote valuations provided by the policyholder, by RNICE and by me. I also show the factors that I have selected in arriving at my best estimates (my values for each claim being the product of these three factors).

**FIGURE 6.16. VALUATIONS BY NON-ZERO CLAIM FOR POLICYHOLDER O, INCLUDING THE FACTORS SELECTED BY THE VOTE ASSESSOR FOR HIS BEST ESTIMATES (EUROS)**

	Vote valuations			The likelihood of the claim being covered	Vote assessor's view of	
	Submitted by the Policyholder	Proposed by RNICE	Estimated by the Vote Assessor		The likelihood of the Policyholder being deemed culpable	The likely magnitude of future claims payments (if any)
Claim 91	75,000	75,000	67,500	100%	90%	75,000
Claim 92	1,250,000	870,000	217,500	100%	25%	870,000
Claim 93	600,000	600,000	399,000	100%	75%	532,000
Claim 94	1,850,000	0	0	100%	100%	0
<b>TOTAL</b>	<b>3,775,000</b>	<b>1,545,000</b>	<b>684,000</b>			

### Claim 91

- 6.183. [REDACTED] The initial Court hearing found in favour of the policyholder. The claimant appealed the verdict, but the original verdict was endorsed by the Court of Appeal. The claimant then appealed to the Supreme Court, which has referred the case back to the Court of Appeal and has ordered that the CMR be renewed. This is unusual and suggests that the Supreme Court believes that a renewed CMR might be sufficiently different from the earlier version to result in a different verdict from the Court of Appeal.
- 6.184. I understand that both the policyholder and RNICE consider that, should the Court of Appeal overturn the earlier decisions, a claim amount €75k would be reasonable. I have assumed that same severity amount. However, I have also allowed for the possibility that, despite the renewed CMR, the Court of Appeal does not overturn the earlier decisions – I have attached a probability of 10% to this possible outcome.

### Claim 92

- 6.185. This claim [REDACTED] has proceeded through the first Court and then the Court of Appeal, both Courts finding in favour of the policyholder. The claimants [REDACTED] have now appealed to the Supreme Court.



- 6.186. If the previous verdicts are overturned and if it is established that the policyholder should be held liable then a claim value of €870k is realistic, based on:
- [REDACTED] and [REDACTED] could each claim approximately €300k, based on the Milan tables;
  - the Court might make a special award [REDACTED], and a reasonable amount would be €150k;
  - €100k as financial damage [REDACTED]; plus
  - legal fees of approximately €20k.
- 6.187. The Supreme Court does not hear new evidence but considers whether the earlier Courts have correctly interpreted the policy and the law. Without further information, I consider it unlikely that the Supreme Court will overturn the existing verdicts and have subjectively assumed a probability that it does overrule the earlier Courts to be 25%.

### Claim 93

- 6.188. The first Court that heard this claim [REDACTED] ruled in favour of the claimants, to whom it awarded €600k. The Court of Appeal reversed this decision, but the Supreme Court then ordered it to be reheard by the Court of Appeal.
- 6.189. Neither the policyholder nor RNICE consider the €600k awarded to be unreasonable, assuming that the policyholder's liability is upheld. The likelihood of that is uncertain but I would expect it to be more likely than not (say 75%) based on the three verdicts so far.
- 6.190. I note that the severity should be reduced by €88k to allow for the amount already paid by RNICE, and then increased by €20k in respect of legal costs

### Claim 94

- 6.191. The verdicts of both the original Court and the Court of Appeal in respect of this claim were unfavourable to the policyholder, who paid (and was then reimbursed by RNICE) €1.8m to the claimant. However, the policyholder appealed to the Supreme Court, which has found in its favour and has sent it back to the Court of Appeal.
- 6.192. It is possible that the Court of Appeal will again rule in favour of the claimant, in which case it is unlikely that it will alter the magnitude of the award, especially as it has already been paid and so no further interest amounts should be attached. In such a situation, the value of the claim to the policyholder would be nil as it would expect to receive no further monies.
- 6.193. If the Court of Appeal were to rule in favour of the policyholder, or to reduce the damages previously awarded, then the policyholder (and/or RNICE) would seek recoveries of the (excess) already amounts already paid. Therefore, the value to the policyholder in such circumstances would still be nil as any recoveries it received would have to be reimbursed to RNICE.

## POLICYHOLDER P

- 6.194. In Figure 6.17, below, I list for each non-zero claim submitted by Policyholder P the vote valuations provided by the policyholder, by RNICE and by me. I also show the factors that I have selected in arriving at my best estimates (my values for each claim being the product of these three factors).

**FIGURE 6.17. VALUATIONS BY NON-ZERO CLAIM FOR POLICYHOLDER P, INCLUDING THE FACTORS SELECTED BY THE VOTE ASSESSOR FOR HIS BEST ESTIMATES (EUROS)**

	Vote valuations			The likelihood of the claim being covered	Vote assessor's view of The likelihood of the Policyholder being deemed culpable	The likely magnitude of future claims payments (if any)
	Submitted by the Policyholder	Proposed by RNICE	Estimated by the Vote Assessor			
Claim 95	600,000	600,000	541,500	95%	95%	600,000
Claim 96	20,000	20,000	75,024	100%	100%	75,024
Claim 97	250,000	250,000	200,000	100%	80%	250,000
Claim 98	10,000	10,000	43,000	20%	30%	550,000
<b>TOTAL</b>	<b>880,000</b>	<b>880,000</b>	<b>859,524</b>			

### Claim 95

6.195.

[REDACTED]

[REDACTED] Two internal medical reports and a court medical report have recognised the policyholder's liability. On that basis, if the claim is pursued, there is a strong likelihood that the pursuit will be successful.

6.196. We understand that the information available has enabled both RNICE and Policyholder P to estimate the likely damages, if the claim is upheld, to be within the range €500k-€600k, but that the information is insufficiently detailed for them to refine further this range. Taking the mid-point of the range and allowing roughly for interest payments since the date of claim, they have assumed the claim severity to be about €600k. I consider this approach and severity assumption to be reasonable approach.

6.197. The remains a possibility that:

- The claim is not pursued. I note that there has been no contact with the claimants since 2020. However, the likely claim amounts are material and the expert opinions to date suggest that the policyholder was culpable. Therefore, I have assumed a low probability (5%) that this claim is not pursued.
- the Court (and then the Appeals Court and the Supreme Court, if the claim is pursued this far) will find in favour of the policyholder, despite the three medical reports being in agreement that the hospital was culpable. Therefore, I have assumed a low probability (5%) that this claim is rejected by the Courts.

### Claim 96

6.198. This claim [REDACTED] has gone to trial and the verdict is pending. The claimed amount is €201k but the CMR suggests that the damage is temporary and indicates that appropriate compensation to be awarded to the claimant should amount to €9,145, plus legal fees. The claimant rejected the policyholder's settlement offer of €20k.

6.199. It appears to me that all parties to this claim accept that it is covered and that, to the extent that there has been injury, the policyholder is culpable. Therefore, the point of contention is the extent of injury and what would be an appropriate corresponding award. The minimum value of this claim would be the amount recommended by the CMR (which I have taken to be broadly the same as the offered settlement amount, once allowance has been made for legal fees), and the maximum value would be the claimed £201k. I have assumed it 80% likely that the Court will go along with the CMR recommendation, but that the claimant would be very likely (90%) to appeal an award so far below the amount originally claimed, and I have assumed that, if an appeal is made by the claimant, there is a 25% likelihood that the Court of Appeal (or subsequently the Supreme Court) will reject the first Court's verdict. On that basis, the likelihood of the claim being settled on the basis of the original CMR recommendation would be:

$$80\% \times 10\% + 80\% \times 90\% \times 75\% = 62\%$$

Conversely, the likelihood of the claim being settled on the basis other than the original CMR recommendation would be 38%.

6.200. There is a big gap between the amount claimed by the claimant and the amount indicated as appropriate by the CMR. I believe that, if the Courts do not accept the CMR's indications, they will make an award between the two amounts. I have assumed the award would be the 80:20 weighted average of the upper and lower amounts.

### Claim 97

6.201.

[REDACTED]

[REDACTED] No criminal trial has been initiated but RNICE and the policyholder both expect a civil case to be filed by the claimant, even though there has been no contact with the claimant since 2020.

- 6.202. No internal medical reports are available. However, based on the Milan tables, both the policyholder and RNICE agree that, should the claim go to trial, and the verdict be unfavourable, the Policyholder will need to pay the claimant around €250k.
- 6.203. The claim values submitted by both the policyholder and RNICE suggest that both regard it as virtually certain that the claim will be brought to trial and that the Court will find in favour of the claimant, awarding €250k. I do not regard this claim with the same degree of certainty and have subjectively reduced this value by 20%, to allow for the possibilities that the claim is not pursued further by the claimant, and that if it is pursued the Court does not find the policyholder liable, or not wholly liable for the man's death.

### Claim 98

- 6.204. [REDACTED]
- 6.205. Were the claimant's allegations verified then RNICE has estimated that a Court could reasonably award an amount totalling €1m (€720k plus interest and allowance for further damages, plus legal fees). However, there are three possible factors at play here:
- one internal medical report has indicated that there is no obvious liability on the part of the policyholder;
  - another internal medical report has indicated that the patient is only mildly disabled (to an extent consistent with an award closer to €100k than to €1m);
  - the [REDACTED] developed three months after surgery, making it unclear whether there is a direct link to the surgery.
- 6.206. The incident in question occurred during 2012. Both the policyholder and RNICE are certain that this claim is now time-barred. A new request for damages was received in January 2024 and both the policyholder and RNICE have attached a value of just €10k to this claim to allow for costs in case the claimant decides to start a trial.
- 6.207. While the policyholder and RNICE both consider that no further action is possible due to the time-bar, it is possible that a Court might not agree. I have attached a likelihood of 20% to this possibility. In view of the delay in the emergence of the [REDACTED] and of the medical report that indicated no liability on the part of the policyholder, I have assumed a probability of 30% that a Court ultimately finds against the policyholder. Finally, the severity of the disability is unclear, with a wide range between the likely award were it as claimed and that were it as per the internal medical report (assuming that liability had been established). I have assumed that the best estimate of the possible outcomes (assuming liability had been proven) would be an average of these amounts. I have also assumed that the €10k allowance for expenses would be payable in any event.

### POLICYHOLDER Q

- 6.208. In Figure 6.18, below, I list for the claim submitted by Policyholder Q the vote valuations provided by the policyholder, by RNICE and by me. I also show the factors that I have selected in arriving at my best estimate (my estimate of the value of the claim being the product of these three factors).

**FIGURE 6.18. VALUATIONS BY NON-ZERO CLAIM FOR POLICYHOLDER Q, INCLUDING THE FACTORS SELECTED BY THE VOTE ASSESSOR FOR HIS BEST ESTIMATES (EUROS)**

	Vote valuations			Vote assessor's view of		
	Submitted by the Policyholder	Proposed by RNICE	Estimated by the Vote Assessor	The likelihood of the claim being covered	The likelihood of the Policyholder being deemed culpable	The likely magnitude of future claims payments (if any)
Claim 99	450,000	0	0	100%	0%	275,000
<b>TOTAL</b>	<b>450,000</b>	<b>0</b>	<b>0</b>			

### Claim 99

- 6.209. Subsequent to the values being submitted by both the policyholder and RNICE, the Supreme Court issued its decision, which was to uphold the verdicts of both the original court and the Appeals Court that the claim was invalid. The Supreme Court's view is final and therefore my view is that this claim, and hence this vote, should be valued at zero.

## POLICYHOLDER R

6.210. In Figure 6.19, below, I list for the claim submitted by Policyholder R the vote valuations provided by the policyholder, by RNICE and by me. I also show the factors that I have selected in arriving at my best estimate (my estimate of the value of the claim being the product of these three factors).

FIGURE 6.19. VALUATIONS BY NON-ZERO CLAIM FOR POLICYHOLDER R), INCLUDING THE FACTORS SELECTED BY THE VOTE ASSESSOR FOR HIS BEST ESTIMATES (EUROS)

	Vote valuations			The likelihood of the claim being covered	Vote assessor's view of The likelihood of the Policyholder being deemed culpable	The likely magnitude of future claims payments (if any)
	Submitted by the Policyholder	Proposed by RNICE	Estimated by the Vote Assessor			
Claim 100	35,000	35,000	35,000	100%	100%	35,000
TOTAL	35,000	35,000	35,000			

### Claim 100

6.211. This claim was closed following a final Supreme Court decision that was issued in August 2024 and that found in favour of the policyholder. This means that RNICE need not pay any indemnity costs in respect of this claim. However, RNICE has agreed to reimburse the legal fees (€35k) that the policyholder incurred in respect of the appeal to the Supreme Court. I understand that the reimbursement has yet to take place.

6.212. While I am certain that the value of this claim to the policyholder is €35k, I am uncertain whether it should be included in the vote valuation. Reimbursement by RNICE of the legal fees incurred by the policyholder appears to be discretionary and not a contractual obligation under the terms of the insurance contract.

## POLICYHOLDER S

6.213. In Figure 6.20, below, I list for the claim submitted by Policyholder S the vote valuations provided by the policyholder, by RNICE and by me. I also show the factors that I have selected in arriving at my best estimate (my estimate of the value of the claim being the product of these three factors).

FIGURE 6.20. VALUATIONS BY NON-ZERO CLAIM FOR POLICYHOLDER S, INCLUDING THE FACTORS SELECTED BY THE VOTE ASSESSOR FOR HIS BEST ESTIMATES (EUROS)

	Vote valuations			The likelihood of the claim being covered	Vote assessor's view of The likelihood of the Policyholder being deemed culpable	The likely magnitude of future claims payments (if any)
	Submitted by the Policyholder	Proposed by RNICE	Estimated by the Vote Assessor			
Claim 101	20,835	20,835	20,835	100%	100%	20,835
TOTAL	20,835	20,835	20,835			

### Claim 101

6.214. This is an additional amount that has been awarded against RNICE due to its late payment to the claimant of the settlement amount. There is no disagreement between RNICE and the policyholder regarding either the magnitude of the outstanding payment or RNICE's obligation to pay it. Therefore, my value is the same as that of the policyholder and of RNICE.

## POLICYHOLDER T

6.215. In Figure 6.21, below, I list for each non-zero claim submitted by Policyholder T the vote valuations provided by the policyholder, by RNICE and by me. I also show the factors that I have selected in arriving at my best estimates (my estimate of the value of each claim being the product of these three factors).

**FIGURE 6.21. VALUATIONS BY NON-ZERO CLAIM FOR POLICYHOLDER T, INCLUDING THE FACTORS SELECTED BY THE VOTE ASSESSOR FOR HIS BEST ESTIMATES (EUROS)**

	Vote valuations			The likelihood of the claim being covered	Vote assessor's view of The likelihood of the Policyholder being deemed culpable	The likely magnitude of future claims payments (if any)
	Submitted by the Policyholder	Proposed by RNICE	Estimated by the Vote Assessor			
Claim 102	350,000	67,995	208,998	100%	100%	208,998
Claim 103	200,000	220,000	220,000	100%	100%	220,000
Claim 104	680,000	680,000	657,500	100%	100%	657,500
<b>TOTAL</b>	<b>1,230,000</b>	<b>967,995</b>	<b>1,086,498</b>			

### **Claim 102**

- 6.216. I have been told that the final judgment in respect of the underlying claim found against the policyholder and its co-defendants. RNICE has paid the policyholder's share of the claim, although it is still to reimburse the policyholder for its legal expenses (€68k). However, the co-defendants have yet to pay their share of the claim. If they fail to do so, then the policyholder will be liable for the payment (the defendants were all joint and severally liable). Under the terms of the insurance contract, RNICE holds the policyholder harmless for such payments, i.e. RNICE would have to make the additional payment to the claimant and then seek reimbursement from the co-defendants.
- 6.217. I note that the payments from the co-defendants have been outstanding since 2016. I believe that there is a material possibility that RNICE will have to make these payments and then seek to reclaim from the co-defendants. I believe that there is also a material possibility that, in such circumstances, RNICE would not achieve the recovery.
- 6.218. I understand that RNICE's value of this claim comprises solely the legal expenses it owes to the policyholder, and that the policyholder's corresponding value also includes the co-defendants' outstanding payments (and implicitly assumes that these will not be deducted). My value includes the legal expenses and assumes it is 50% likely that RNICE will have to pay – without achieving reimbursement – the co-defendants' outstanding claim amounts.

### **Claim 103**

- 6.219. This claim has already gone through the Courts and RNICE would already have paid the settlement amount of €220,000 had its payments not been suspended. It is unclear to me why the policyholder has submitted a slightly lower value for this claim.

### **Claim 104**

- 6.220. [REDACTED] The original Court hearing resulted in an award to the claimant of €522k plus interest (I understand that RNICE and the policyholder have both estimated this to be in total about at about €680k). The policyholder and RNICE have appealed the judgment, mainly on the grounds that the award made was excessive in comparison with usual application of the Milan tables, and that the assumed degree of disability was not supported by expert opinion. The Court of Appeal is still considering this case but has required that 50% of the amount awarded be paid on account. The policyholder has made this payment (payments by RNICE being temporarily suspended),
- 6.221. For valuation purposes, I have assumed it 30% likely that the Court of Appeal (and any subsequent Court) will uphold the appeal and that the mean reduction in the revised settlement amount will be equal to the difference between the settlement amount awarded and that indicated by RNICE's application of the Milan tables (roughly €75k).

## **POLICYHOLDER U**

- 6.222. In Figure 6.22, below, I list for the claim submitted by Policyholder U the vote valuations provided by the policyholder, by RNICE and by me. I also show the factors that I have selected in arriving at my best estimate (my estimate of the value of the claim being the product of these three factors).

**FIGURE 6.22. VALUATIONS BY NON-ZERO CLAIM FOR POLICYHOLDER U, INCLUDING THE FACTORS SELECTED BY THE VOTE ASSESSOR FOR HIS BEST ESTIMATES (EUROS)**

	Vote valuations			The likelihood of the claim being covered	Vote assessor's view of The likelihood of the Policyholder being deemed culpable		The likely magnitude of future claims payments (if any)
	Submitted by the Policyholder	Proposed by RNICE	Estimated by the Vote Assessor				
Claim 105	20,000	16,620	18,310	100%	100%		18,310
<b>TOTAL</b>	<b>20,000</b>	<b>16,620</b>	<b>18,310</b>				

### **Claim 105**

- 6.223. At the time that this claim was settled with the claimant payments by RNICE had been suspended, due to uncertainty regarding RNICE's financial health. Therefore, the policyholder made the payment to the claimant and the value of the claim for voting purposes is this amount less the each and every claim deductible of €40,000. RNICE has based its value on its understanding that the claim payment totalled €56,620 and therefore the value net of the deductible is €16,620; it is unclear to me whether the value submitted by the policyholder is merely a rounded version of RNICE's value or includes other elements, such as expenses. In view of this uncertainty, I have assumed as my value the average of the values submitted by the policyholder and by RNICE.

## Appendix A Letter of Representation

Reliance National Insurance Company (Europe) Ltd  
4<sup>th</sup> Floor  
52-54 Gracechurch Street  
London  
EC3V 0EH



Derek Newton  
Milliman LLP  
Eastcheap Court  
11 Philpot Lane  
London  
EC3M 8AA

7 March 2025

Dear Mr Newton,

## Letter of Representation –Scheme of Arrangement

### Introduction

I refer to the proposed Scheme of Arrangement between Reliance National Insurance Company (Europe) Limited ("RNICE") and those of its policyholders who held medical liability insurance policies originally written by QBE Insurance (Europe) Limited in Italy and transferred to RNICE in 2018 pursuant to Part VII of the Financial Services and Markets Act 2000 ("the Scheme"). I, James Bolton am a director of RNICE and have been authorised by RNICE to provide, on its behalf, the representations set out in this letter.

### Data Accuracy Statement

I hereby affirm that the data and information provided by RNICE to Derek Newton of Milliman LLP (acting as the Independent Vote Assessor to the Scheme) were prepared by RNICE (and by its professional advisors on behalf of RNICE) and, to the best of our knowledge and belief, are accurate and complete in all material respects relevant to the role of Independent Vote Assessor to the Scheme.

### Other Statements

To the best of our knowledge and belief, there are no material inaccuracies or omissions in the Independent Vote Assessor's Report dated 7 March 2025 (the "**Report**") in the description of the specific claims of RNICE and in their progress towards settlement and closure.





We have disclosed all the information that, in our opinion, is relevant to the Independent Vote Assessor when forming a view regarding the value that should be assigned to the vote of each of the policyholders (considering only those policyholders who voted at the meeting of the creditors that was held on 24 February 2025 (the "Scheme Meeting")). We note and consider reasonable the Reliances and Limitations included within Section 3 of the Report, in particular those relating to data (paragraphs 3.14-3.16).

We will keep the Independent Vote Assessor apprised, up to the date of the Court hearing to sanction the Scheme, of all matters and issues that, in our opinion, may be relevant to the Independent Vote Assessor in applying values to the votes that cast at the Scheme Meeting, including updates to the documentation already provided to the Independent Vote Assessor.

We confirm that we are unaware of any planned or impending changes in the legal environment that might affect the ultimate settlement values of the voters' claims.

We confirm that there is currently no other relevant information regarding the policyholders that voted at the Scheme Meeting or regarding their claims that could have a material impact on the Independent Vote Assessor's assessment of the value of each vote.

Yours sincerely,

A handwritten signature in dark ink, appearing to read "James Bolton".

James Bolton

Director

*For and on behalf of Reliance National Insurance Company (Europe) Limited*



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#### **CONTACT**

**Christopher Clarke**  
[christopher.clarke@milliman.com](mailto:christopher.clarke@milliman.com)

**Derek Newton**  
[derek.newton@milliman.com](mailto:derek.newton@milliman.com)