

13 August 2018

MEDIA INFORMATION

Good news for policyholders who had Guaranteed Asset Protection (GAP) cover with Alpha Insurance

Following the default of Alpha Insurance A/S of Denmark in May 2018, the Financial Services Compensation Scheme (FSCS) has been working closely with the liquidator, as well as the Danish Guarantee Fund and Premia Solutions to secure alternative insurance cover for eligible customers.

FSCS worked with Premia Solutions to replace 177,000 Guaranteed Asset Protection (GAP) policies with effect from 12 August 2018. The new insurer will be a Lloyd's of London syndicate.

Affected policy holders will receive a letter from Premia Solutions outlining the details of the transfer of their policies. The transfer comes after Alpha's liquidator gave notice that these policies will be cancelled on 11 August 2018.

Jimmy Barber, Chief Operating Officer at FSCS said: "This is good news for many thousands of Alpha customers as they do not need to worry about having alternative insurance in place. We are continuing to work with other brokers to secure continuity of cover for their customers where this is possible. This is the best result possible for customers."

For more information about insurance products FSCS protects, the FSCS website has information about its insurance protection generally and specific information about [Alpha](#).

Over the last five years, FSCS has protected over one million policyholders and paid out more than £590m for insurance related failures.

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Notes:

- For more information on insurance protection please visit our [questions and answers page](#).
- Alpha Insurance A/S of Denmark was declared in default on 11 May 2018
- FSCS has come to the aid of more than 4.5m people while paying out £26bn since 2001

Notes to editors:

1. About FSCS

FSCS is the UK's statutory compensation scheme for customers of authorised financial services firms. It was set up by Government in 2001 and is funded by the financial services industry. FSCS protects deposits, investment business, home finance (mortgage) advice, general insurance, insurance broking and debt management. FSCS can pay for financial loss if a firm is unable, or likely to be unable, to pay claims against it. The following limits apply:

- Deposits: £85,000 per person per authorised deposit-taker (for claims against firms declared in default from 30 Jan. 2017). For more details visit our [Deposit Limits](#) page.
- Investments and home finance: £50,000 per person per firm (for claims against firms declared in default from 1 Jan. 2010). For more details visit our [Investment Limits](#) and [Home Finance Limits](#) pages.
- General insurance advice and arranging claims: 90% of the claim is protected with no upper limit. Compulsory insurance is 100% (for business conducted on or after 14 Jan. 2005). For more details visit our [Insurance Limits](#) page.
- Debt management: £50,000 per person per firm (for claims against firms declared in default from 1 April 2018). For more details visit our [Debt Management](#) page.

FSCS is an independent body, set up under the Financial Services and Markets Act 2000 (FSMA), and does not charge individual consumers for using its services.

2. Declaring a firm in default

Before FSCS can pay compensation it must be satisfied that a firm does not have sufficient assets to meet claims. It describes this as being 'in default'. The Scheme will declare a firm in default if:

- it has received at least one claim; and
- it is satisfied that the firm is unable (or likely to be unable) to pay claims against it.

FSCS is required to do this before it can pay compensation to eligible claimants.

Declaring a firm in default allows consumers who believe they may have lost money as a result of their dealings with that firm to apply to the Scheme.

3. Authorised firms

Dealing with a Financial Conduct Authority (FCA) or Prudential Regulation Authority (PRA) authorised firms gives consumers access to the Financial Ombudsman Service (FOS) and FSCS. Consumers can check that the firm they are dealing with is authorised by using the FCA's Financial Services Register found here: <http://www.fca.org.uk/firms/systems-reporting/register>

4. Broadcast media

An ISDN line is available if you are interested in arranging a radio interview with FSCS's CEO or a member of the Executive Team. Please get in touch with our public relations team publicrelations@fscs.org.uk to arrange a suitable time and date.