



Your guide to Guarantees

In relation to the Administration of Estates in Northern Ireland

Statement of demands and needs

A guarantee provided by Zurich Insurance Public Limited Company (“Zurich”) meets the demands and needs of those persons wishing to obtain a grant in respect of an intestate estate or, in some cases, a testate estate in Northern Ireland. Instruments of this nature are a compulsory requirement of law in certain circumstances and not a matter of choice upon which we can make, or do make, any recommendations.

Disclosure statement

- The Company which provides guarantees is Zurich Insurance plc, Zurich House, Ballsbridge Park, Dublin 4 Ireland, a Company registered in Ireland (registration number 13460). UK branch registered in England and Wales registration number BR7985. Zurich Global Corporate UK is a trading name of Zurich Insurance plc.
- Zurich Insurance plc is authorised by the Irish Financial Regulator and subject to limited regulation by the Financial Services Authority. Details about the extent of our regulation by the Financial Services Authority are available from us on request. FSA registration number 203093.
- Our permitted business is Suretyship. We provide surety bonds and guarantees which include guarantees required in certain circumstances by Northern Irish Law.
- The above details can be confirmed by viewing the Financial Services Authority’s Register by visiting the website <http://www.fsa.gov.uk/register> or by contacting the Financial Services Authority on 0845 606 1234.
- You will not receive advice or recommendations from Zurich.
- Zurich will notify your appointed advisor of the premium payable before the issue of a guarantee.
- The business of Zurich is covered by the Financial Services Compensation Scheme. A claimant under the guarantee may be entitled to compensation if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim.

Further information can be found at:

Financial Services Compensation Scheme (FSCS)
7th Floor
Lloyds Chambers
1 Portsoken Street
London
E1 8BN

Tel: 020 7892 7300

Website address: <http://www.fscs.org.uk>

What is a guarantee in relation to the Administration of Estates in Northern Ireland?

When someone dies it can be a very difficult time for family members. At a time of personal grief, aside from making funeral arrangements and obtaining a death certificate, the estate of the deceased person needs to be dealt with. This brief guide is intended to provide some initial general background in respect of guarantees which may be of assistance to you in obtaining your own advice. A guarantee is not required for all cases where the deceased person did not leave a will (known as "intestacy"). You will be advised by the Court whether a guarantee is required when applying for Letters of Administration.

Applying for Grant of Letters of Administration

Investigations should be made with regard to the existence of a will. Where no valid will exists it may be necessary to apply to the High Court for the appointment of an administrator. This is usually the closest relative to the deceased person. The Administrator is required to administer the estate according to the laws of succession, including the legal obligations of the Administrator to distribute the estate to the appropriate creditors and beneficiaries according to the Administrations of Estates Act (Northern Ireland) Order 1955 (amended 1979).

You do not always need to apply for a grant. For example, if the total value of the deceased's estate is less than £5,000, a bank or building society may pay the money to the person or people entitled to it without seeing the grant.

Your appointed solicitor should complete an Oath for Administrator form. This form includes details about the deceased, the proposed Administrator and their relationship to the deceased and also the gross and net value of the estate.

A guarantee provided by an insurance company is a guarantee (for the benefit of creditors and beneficiaries) that the estate of the deceased will be distributed according to the Administrations of Estates Act (Northern Ireland) Order. The Guarantee is **not** an insurance policy which provides cover or protection to the Administrator.

Claims

Where a beneficiary or creditor wishes to make a claim under a guarantee issued by Zurich they must write to Zurich with details of their claim. Zurich will respond to all claims promptly and keep the Administrator and the claimant informed throughout the claims process. Zurich will handle all claims fairly and in strict accordance with Northern Irish law. Where there are genuine disputes between Administrators and claimants, Zurich may require the decision or order of the Court in order to deal with the claim.

The Guarantee is not an insurance policy which provides cover or protection to the Administrator. The Administrator at all times retains the primary legal obligation to administer the estate according to law and to satisfy the claims of beneficiaries of the estate. Where a valid claim is made under the Guarantee, Zurich will pay the claim **and the Administrator will be bound to make reimbursement of this amount to Zurich plus any costs incurred by Zurich in relation to the claim.**

Important note

All persons proposing to apply for appointment as Administrator or who may be affected by an Administrator appointment should obtain their own legal advice from a Solicitor in Northern Ireland.

Applying for a guarantee

To obtain a guarantee from Zurich an application form must be completed and the declaration on the final page signed by the Administrator(s).

Before agreement to issue the guarantee is provided, the Administrator(s) will need to demonstrate that thorough investigations have been made in relation to the existence of debts / liabilities. We would expect Administrators to retain sufficient funds to cover any unexpected debts arising. Administrators who fail to do so risk becoming personally liable for the unsatisfied debt of the estate.

The application form should be completed in full. Partially completed forms or those submitted without the necessary supporting documentation may result in a delay in Zurich agreeing to issue a guarantee. If you experience any difficulties in completing the form, Zurich is able to provide assistance (although we cannot provide advice on any matters relating to estates) by telephone. Once complete, the application form should be submitted to Zurich together with:

- a copy of the Administrator(s) oath / affidavit
- a copy of the full death certificate
- a schedule of liabilities of the estate
- a schedule of assets of the estate
- completed and signed cut out slip from this leaflet.

Other documents or information may also be requested in support of the application after the initial review has taken place by Zurich. If an application for a guarantee is accepted, the Administrator/proposed Administrator will be provided (via their legal adviser) with indicative terms which clearly state the guarantee amount and the premium payable.

Premium

Estates of up to £25,000 – £150.

For estates greater than £25,000 written terms will be provided upon application.

The premium charged by Zurich is exclusive of all court and/or legal costs which may be incurred by the applicant during the process of obtaining a guarantee. It is the Administrator's/proposed Administrator's responsibility to settle any such court and/or legal costs. There is no insurance premium tax (IPT) or Value Added Tax (VAT) payable in relation to guarantees.

Important Notice – Administrator's rights of cancellation

You have the right to cancel the guarantee within 14 days from the date you receive the executed guarantee from Zurich if the original guarantee is returned to Zurich together with confirmation that it has not been lodged with the court. Zurich will then be pleased to confirm that the guarantee has been cancelled and refund any premium paid. No administration fee will be retained by Zurich if a guarantee is cancelled in this way.

You may be unable to exercise your cancellation rights if you decide to lodge or deposit the guarantee with the court during the 14 day cancellation period. Once the guarantee is lodged with the court, we will only be able to confirm cancellation of the guarantee if the court makes an order confirming that the guarantee may be treated as released or cancelled without payment. The granting of such an order would be highly exceptional and there could be no certainty that it would be possible to procure the consent of the court.

Once a guarantee has been lodged with the court, you may incur costs and legal expenses in procuring cancellation. Once a guarantee is lodged it is not within the power of Zurich to cancel the guarantee. Although Zurich will not make any administration or other charge for cancellation, you will be responsible for all costs and expenses, including those incurred by Zurich, if after lodging the guarantee with the court you wish to procure cancellation.

The cancellation of the guarantee would also invalidate the Administrator's Grant of Letters of Administration so that the Administrator could not deal with/administer the estate. If cancellation of a guarantee in these circumstances is considered, legal advice should be obtained.

N.B Consequences of not cancelling – If a guarantee is not cancelled and is lodged with the court it will become fully effective.

Obtaining a Grant of Letters of Administration

Once the guarantee is received, the Administrator/proposed Administrator may submit this to the court along with the Oath and the statutory court fee payable which is based on the value of the net estate. The court will then issue, by post, a Grant of Letters of Administration.

The guarantee is effective once it has been lodged with the Court, remains in force indefinitely and cannot thereafter be cancelled by the Administrator or by Zurich. The Grant of Letters of Administration (or a certified copy) should be taken or sent to the holders of the estate assets who require the document in order to release funds or assets.

Only when the Administrator is satisfied that all liabilities have been settled should the remainder of the estate be distributed amongst the lawful beneficiaries. The order of distribution must be in accordance with the Administration of Estates (Northern Ireland) Order 1955 (amended 1979). If any dispute or claim arises which affects the estate or its administration, Zurich must be advised by the Administrator as soon as practicable.

A short explanation of the terms used is set out on the next page.

We have included information by way of general guidance which may be of assistance but we cannot give legal advice or take the place of your own lawyers or advisers. All Administrators are bound to administer estates strictly according to law and the advice of solicitors should be sought.

Glossary of terms

administrator	person(s) appointed by the High Court to administer an intestate estate
Administrator's Grant of Letters of Administration	the process of confirming the appointment of an administrator(s) and his or her right to receive money and other property belonging to a deceased person and to administer and distribute the estate
administration	the entire process of managing the estate, from realising assets to final distribution to beneficiaries after all liabilities have been settled
assets	property and assets of the deceased, including all monetary items and legal entitlements
beneficiary(ies)	person(s) who is / are entitled to a share of the net estate
distribution	the payment of the net estate to the beneficiaries
estate	the total gross assets of the deceased person
guarantee	a guarantee issued by an authorised insurer that an intestate estate will be distributed by the administrator according to the laws of intestacy with a financial limit of liability agreed to the gross value of the deceased's estate
intestate estate	an estate without a valid will
laws of succession	the laws which control how intestate estates are distributed
liability	a debt or obligation which the estate is obliged to pay or discharge
net estate	the estate after deduction of the proper costs of administration, funeral expenses and the settlement and discharge of the liabilities of the estate
oath	a sworn declaration by the administrator setting out full details including all assets and liabilities of the estate
realise assets	obtaining cash payments in respect of items contained in the estate
Zurich	Surety

Every effort is made to ensure that the information contained in this publication is correct at the time of going to press.

Specimen Guarantee

Administration of Estates Guarantee

IN THE HIGH COURT OF JUSTICE OF NORTHERN IRELAND FAMILY DIVISION PROBATE & MATRIMONIAL OFFICE

In the Estate of: deceased

Whereas _____ of _____ in the City of _____ Co. Northern Ireland died on the day of _____ and _____ of _____ in the City of _____ Co. Northern Ireland (hereinafter called "the Administrator") is the intended Administrator of his Estate.

Now therefore:

- ZURICH INSURANCE PUBLIC LIMITED COMPANY** a public limited company incorporated in Ireland (Registration No. 13460) whose registered office is at Zurich House Ballsbridge Park Dublin 4 Ireland UK branch registered in England and Wales Registration No. BR7985 and whose address for service for the purposes of this Bond is Zurich Surety of Cypress House 3 Grove Avenue Wilmslow SK9 5EG England hereby guarantees that it will when lawfully required to do so make good any loss which any person interested in the administration of the Estate of the deceased may suffer in consequence of the breach by the Administrator of their duty:
 - to collect and get in the Estate of the deceased and administer it according to law;
 - when required to do so by the Court, to exhibit on oath in the Court a full inventory of the Estate and, when so required, to render an account of the Estate; or
 - when so required by the Court, to deliver up the grant to the Court.
- The giving of time to the Administrator or any other forbearance or indulgence shall not in any way affect our liability under this Guarantee.
- The liability under this Guarantee shall be continuing and shall be for the whole amount of the loss mentioned in paragraph 1 above, but our aggregate total liability shall not in any event exceed the sum of £

Dated this _____ day of _____ Two Thousand and _____

EXECUTED AND DELIVERED as a Deed BY Zurich Insurance plc in the presence of:

Authorised signatory	Authorised signatory
Full Name	Full Name

Bond number:

Complaints procedure

Our Commitment to Customer Service

We value the opportunity to look into any concerns you may have with the service we've provided and we're committed to dealing with all complaints fairly, consistently and promptly.

Who to contact in the first instance

Many concerns can be resolved straightaway, therefore in the first instance please get in touch with the advisor at Zurich who arranged the guarantee for you. Please quote the bond number (if applicable), your full name and the full name of the Deceased. The address for all correspondence is:-

Zurich Surety, Cypress House, 3 Grove Avenue, Wilmslow, Cheshire, SK9 5EG
Telephone: 01625 527 242
Email: surety.bonds@uk.zurich.com

If, upon advice of your complaint, we cannot resolve it straightaway we will aim to resolve your concerns as soon as possible and we will keep you informed of progress while our enquiries are continuing. The majority of complaints we receive are resolved within four weeks of receipt.

The Financial Ombudsman Service (FOS)

If we are unable to resolve your complaint to your satisfaction within eight weeks or if you remain dissatisfied following receipt of our final response letter you may be able to ask the FOS to formally review your case. You must contact the FOS within six months of our final response.

The FOS contact details are as follows:

Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London, E14 9SR

You can telephone for free on:

08000 234 567 for people phoning from a 'fixed line' (for example, a landline at home)

0300 123 9 123 for mobile-phone users who pay a monthly charge for calls to numbers starting 01 or 02

or e-mail: complaint.info@financial-ombudsman.org.uk

This is a free and impartial service and will not affect your legal rights. The FOS can help with most complaints if you are:

- a consumer
- a business employing fewer than 10 persons that has an annual turnover or balance sheet that does not exceed Euro2 million
- a charity with an annual income of less than £1 million
- a trustee of a trust with a net asset value of less than £1 million

If you are unsure whether the FOS will consider your complaint please contact them directly for further information. You are entitled to contact the FOS at any stage of your complaint.

I confirm that I have read and understood this Zurich Guide to guarantees in relation to the Administration of Estates in Northern Ireland

Print Full Name of Applicant

Applicant's Address

Signature of Applicant

Print Full Name of Deceased

Date / /

Zurich Surety

**Cypress House, 3 Grove Avenue
Wilmslow, Cheshire SK9 5EG, England**

Telephone: 01625 527 242

Fax: 01625 549 499

Email: surety.bonds@uk.zurich.com

www.zurich.co.uk/surety

Also at

The London Underwriting Centre, 3 Minster Court
Mincing Lane, London, EC3R 7DD, England

Telephone: 0207 648 3200

Fax: 0207 648 3299

Zurich Surety is a division of Zurich Global Corporate UK. Zurich Global Corporate UK is a trading name of Zurich Insurance Public Limited Company

Zurich Insurance Public Limited Company is a public limited company incorporated in Ireland. Registration No. 13460

Registered Office: Zurich House, Ballsbridge Park, Dublin 4, Ireland

UK branch registered in England and Wales Registration No. BR7985

UK Branch Head Office: The Zurich Centre, 3000 Parkway, Whiteley, Fareham, Hampshire PO15 7JZ.

Authorised by the Irish Financial Regulator and subject to limited regulation by the Financial Services Authority. Details about the extent of our regulation by the Financial Services Authority are available from us on request. FSA registration number 203093. These details can be checked on the FSA's register by visiting their website www.fsa.gov.uk/register or by contacting them on 0845 606 1234



Because change happenz.®