

Press release

**HIH CASUALTY & GENERAL INSURANCE LIMITED ACN 008 482 291
CIC INSURANCE LIMITED ACN 004 078 880
FAI GENERAL INSURANCE COMPANY LIMITED ACN 000 327 855
(ALL IN LIQUIDATION) ("C&G, CIC and FAIG")**

Statement by Tony McGrath, Liquidator of HIH Insurance Limited and 19 related entities (all in liquidation)

3 April 2002

Creditors' meetings

Meetings of creditors and contributories of C&G, CIC and FAIG were today held in Sydney, where it was determined by creditors for the respective entities that committees of inspection should be appointed to each of the entities.

The committees of inspection will represent all creditors of the relevant entity and provide a workable body with which the Liquidators may communicate and seek approval for key decisions and settlements to be made, allowing the liquidation process to proceed in a more efficient and timely manner.

Each meeting also received a report by the Liquidators on the progress of the Liquidations. In summary, the Liquidators' work to date has confirmed that each of the three entities are clearly insolvent, with the estimated deficiency for the HIH Group of Companies, of which C&G, CIC and FAIG are a part, remaining at \$3.6 billion to \$5.3 billion (as at 15 March 2001). It was also confirmed that reliable estimates of dividend rates will not be available for at least a further one to two years, and interim distributions for creditors will not be available for at least two years and final distributions are unlikely before ten years.

A copy of the Liquidators' report to creditors is now available on the website at www.hih.com.au.

Further information

It should be noted that Mr Macintosh and I are liquidators of a further 17 entities within the HIH Group of Companies. Creditors' meetings for these 17 companies will be held at a later date. For your information, a full list of HIH companies in liquidation may be found on the website at www.hih.com.au.

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