

HIH PRESS RELEASE

30 January 2004

Allianz Settlement Agreement

A settlement agreement between the Allianz Group and three companies of the HIH Group was today approved by the Supreme Court of New South Wales with respect to certain matters outstanding from the acquisition by Allianz of the interest in some of the HIH companies in a joint venture entered into in September 2000.

This same agreement was approved on 17 December 2003 by the Committees of Inspection for HIH Casualty and General Insurance Limited; FAI General Insurance Company Limited and CIC Insurance Limited (All in Liquidation), the three largest insurers of the HIH Group.

As mentioned in reasons for judgement given orally by Justice Hamilton today, the effect of the agreement will be that the HIH companies will receive \$120 million. Specific terms of the agreement remain confidential.

Application was made to the Supreme Court, by the Liquidators under Section 477 (2A) and (2B). Section 477 (2A) requires Court or Committee of Inspection approval for agreements greater in value than \$20,000. Likewise, approval is required to be obtained under Section 477 (2B) for agreements greater than three months in duration.