

## **Update from the provisional liquidators of HIH – Tuesday 5 June 2001**

The provisional liquidators of HIH Tony McGrath and Alex Macintosh have today met with representatives of major creditors with the aim of establishing consultative groups to represent the interests of unsecured creditors of the insurance businesses.

“As the provisional liquidators, our main role is to act in the best interests of creditors all over the world, to ensure the best outcome for them. Convening meetings of key representative creditors will assist in this process by providing the provisional liquidators with timely feedback and a sounding board for issues as and when they arise” Mr McGrath said.

“There are currently many thousands of individual unsecured creditors, in several countries around the world. It would be impractical and unwieldy to consult with individuals, or even individual groups of creditors. The most effective way to ensure creditor views are taken into account is to set up a consultative group (or groups) to represent the unsecured creditors of the three main insurance vehicles: FAI, CIC and HIH C&G. These groups will guide and advise us towards the best outcomes for all.”

Several of the representatives on the consultative groups will be from the State Government agencies that underwrote some types of insurance. For example, in NSW, Compulsory Third Party vehicle insurance was underwritten by the Motor Accidents Authority.

The Federal Government will also be represented because the Federal Government’s HIH Claims Support Pty Ltd will in effect, take the place of many unsecured creditors by agreeing to pay out some claims.

There will also be representatives for UK and Hong Kong creditors attended. Co-operation is also expected with regulators in California and New York.

“The provisional liquidation process will continue for some months yet. We are working through papers, contracts and records for hundreds of companies under the banner of the HIH holding company. Establishing these consultative groups will allow me to take the views of representative creditors into account, while minimising further delays to a necessarily lengthy investigation.”

“All those agreeing to sit on the consultative groups will understand their responsibilities to represent all creditors, not just their own creditor group. All those attending today’s initial meeting have signed confidentiality agreements.”

“It is expected that the Consultative group will meet regularly – possibly every 4-6 weeks initially, then the meetings will reduce in frequency next year.”

“I expect that co-operation between the major creditor groups will be the key to a successful resolution for all. The size of the HIH businesses and the intricate interlocking agreements and contracts around the world, mean that no one group will be able to produce a good outcome without the co-operation of others. Co-operation will minimise litigation and delays for all concerned”, Mr McGrath said.

Tony McGrath  
*Provisional Liquidator*

HIH01C-PressRel-00506-CH

OK  
m  
5-6-01