

**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 the HIH companies**

OK. me

**12 March 2002**

***Creditors' meetings***

Meetings of creditors and contributories of C&G, CIC and FAIG will be held in Sydney on 3 April 2002.

Each meeting has been called for the purpose of receiving a report by the Liquidators on the progress of the Liquidations, determining whether a committee of inspection should be appointed and considering any other matters that may be brought before the meeting.

A formal notice of the meeting together with background information, a proof of debt and proxy form and instructions for completing the proxy form, have been sent to all known creditors of each of C&G, CIC and FAIG, as recorded in each company's records, today. A copy of the notice and background information are attached.

In addition, advertisements of the meetings will be placed in national and state-wide newspapers tomorrow. Adverts will also be placed in the UK and US for the benefit of overseas creditors.

Creditors may exercise their right to vote by being present in person, or by appointing a proxy to vote on their behalf. A body corporate may appoint a representative to attend on its behalf without the need for a proxy.

The proof of debt form is only for the purpose of voting at the meeting of creditors. Creditors not wishing to vote at the meeting are not required to complete and return the form. Non-attendance will not prejudice any creditors' entitlement to claim in the liquidations.

A call centre has been set up to deal with HIH Creditors' meeting enquiries. The telephone number is 1300 132 299 or +61 3 9611 5711 for overseas callers. Creditors' meeting information is also available on website at [www.hih.com.au](http://www.hih.com.au).

***Likely extensive delay before payment to creditors***

As advised in my press releases of 11 April 2001, 25 May 2001 and 27 August 2001, it is anticipated that the Liquidations of the HIH Companies will take in excess of ten years to complete.

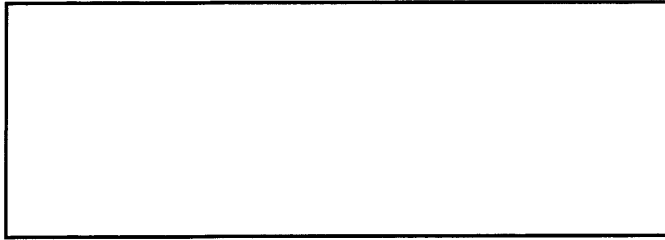
As previously stated, the primary reason for extensive delays is the length of time over which long tail claims can be made and resolved, and any applicable reinsurance recovered. Creditors with these claims need to be taken into account when making payments to any creditors. Examples of these are claims for professional indemnity and public liability, where the claim against the policyholder (and so the policyholder's claim against the insurance company) can take a number of years to surface and be resolved.

***Further information***

It should be noted that Mr Macintosh and I are liquidators of a further 17 entities within the HIH Group of Companies for which meetings are not currently being held. 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](http://www.hih.com.au).



Subregulation 5.6.12(2)



**Form 529**

*Corporations Act 2001*

**NOTICE OF MEETING  
[Appropriate Company]  
[Relevant company ACN]**

Notice is given that a meeting of the creditors of the above company will be held at Harbourside Auditorium 2, Sydney Convention and Exhibition Centre, Darling Drive, Darling Harbour, Sydney, Australia at 11am on Wednesday, 3 April 2002.

**Agenda**

The meeting has been called for the purposes of:

1. receiving a report by the Liquidators on the progress of the liquidation; and
2. determining whether a committee of inspection should be appointed; and
3. considering any other matters that may be properly brought before the meeting.

Creditors may exercise their right to vote by being present in person, or by appointing a proxy to vote on their behalf. A body corporate may appoint a representative to attend on its behalf without the need for a proxy.

A proxy may be appointed by completing the enclosed proxy form and returning it to the address or fax number listed overleaf. Full instructions regarding attendance at the meeting, filing of proof of debt and proxy form are detailed overleaf.

All completed Proxy and Proof of Debt forms should be returned to the address overleaf by no later than 4pm on Thursday 28 March 2002.

**CREDITORS OR THEIR REPRESENTATIVES WHO WISH TO ATTEND ARE REQUESTED TO  
BRING THIS NOTICE TO THE MEETING TO ASSIST IN THE REGISTRATION PROCESS**

DATED this 12th day of March 2002

AG McGrath  
Joint Liquidator

**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)**

**Background**

On 15 March 2001, by order of the Supreme Court of New South Wales, Messrs Anthony McGrath and Alexander Macintosh of KPMG Sydney were appointed as provisional liquidators of the above companies. On 27 August 2001, following applications to the Supreme Court of New South Wales that the above companies be wound up, Messrs Anthony McGrath and Alexander Macintosh were subsequently appointed as liquidators.

It should be noted that whilst the meetings to be held on 3 April 2002 are solely for creditors of the above companies, Messrs McGrath and Macintosh are liquidators of a further 17 entities within the HIH Group of Companies. For your information, a full list of companies in liquidation may be found on the website [www.hih.com.au](http://www.hih.com.au).

**Role of the Liquidators**

The role of the Liquidators is to determine the claims of all classes of creditors and to maximise realisations from assets, including reinsurance recoveries, properties and investments, in order to generate funds from which distributions to creditors might be made. The Liquidators will also investigate the circumstances surrounding each company's failure and report to the regulatory authorities.

There are many significant and complex issues to be resolved in the above liquidations and accordingly, as previously reported, it is likely that the liquidations will take at least ten years to complete.

**Return to creditors**

Due to the length of time it takes for some types of insurance claim to be lodged, assessed and agreed, it will be several years before all creditor claims against the above companies can be reliably predicted. There are many claims that, due to their complexity, may take many years to resolve. It is also likely that the Liquidators will continue to receive claims in respect of some types of insurance for some years to come. Accordingly, it is unlikely that any interim dividend will be paid within the next two years. For the same reasons, the amount of any future dividends cannot presently be estimated with any degree of certainty.

**Government Support Scheme - are you eligible?**

In May 2001, the Commonwealth Government announced a support scheme for certain individuals, small businesses and not for profit organisations affected by the collapse of the HIH group of companies. If you are an Australian policyholder and have a claim under a policy written by an HIH group company, you may be eligible for assistance under this scheme. In order to ascertain your eligibility for this assistance, you should call the HIH Claims Support Hotline (toll free) on 1800 055 544 or visit the website at [www.hihsupport.com.au](http://www.hihsupport.com.au).

**Purpose of the meetings**

The purpose of each meeting of creditors is to receive a report from the Liquidators and to consider the election of a committee of inspection. **Non-attendance will not prejudice any creditors' entitlement to claim in the liquidations.**

**Instructions for attendance at the meetings**

- Creditors or their representatives wishing to attend should bring this Notice to the meeting to assist with registration.
- **Registration will commence at the venue at 9am on Wednesday 3 April 2002.** Creditors should allow sufficient time to register before the meetings.
- Creditors wishing to vote at a meeting should:
  - Lodge a completed Proof of Debt form by 4pm on Thursday 28 March 2002
  - Lodge a completed Proxy form if you intend to have another person (other than the Chairman) attend the meeting on your behalf as your proxy, by 4pm on Thursday 28 March 2002
- Proof of debt and proxy forms are available on the HIH website at [www.hih.com.au](http://www.hih.com.au) and from the HIH Creditors' Meeting Hotline 1300 132 299 (Outside Australia 61 3 9611 5711)
- Proof of Debt, Proxy forms and any supporting documentation should be forwarded by way of facsimile to (02) 8235 8170 (Outside Australia 61 2 8235 8170) or post to:-

HIH Creditors' Meeting  
GPO Box 4195  
Sydney NSW 1007  
Australia

By 4pm on Thursday 28 March 2002

**The Proof of Debt form is only for the purpose of voting at the meeting of creditors.**  
**If you do not intend to vote at the meeting there is no requirement to complete and return the form.**