



Western Pacific Insurance Limited (In Liquidation)

Report to Creditors dated 13 March 2017

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Introduction

On 1 April 2011, the Shareholders by Special Resolution appointed David Ian Ruscoe and Simon John Thorn, of Grant Thornton New Zealand Limited, as Joint and Several Liquidators of Western Pacific Insurance Limited (“the Company”).

Simon Thorn vacated the position of Liquidator on 26 June 2013 and was replaced by Richard Grant Simpson.

Reporting

In addition to our six monthly statutory reports we are also to provide bi-monthly reports to creditors and policyholders in accordance with the Order of the Court dated 14 June 2012. The Order of the Court requires the reports to contain details of the work completed, costs and expenses in relation to the realisation of reinsurance proceeds.

Copies of all reports in respect of this liquidation are available from our website:

<http://www.grantthornton.co.nz/western-pacific-insurance/index.html>

Claims office

The claims office is now closed. Please contact Elena Rovida on (04) 495 1723 or Elena.Rovida@nz.gt.com for any queries.

Address: C/- Grant Thornton, PO Box 10712, Wellington 6143.

Canterbury Policy Holders

Claims assessment

All known claims have now been assessed by loss adjusters. One insured is yet to agree to its loss.

This table provides a summary of the status of the claims submitted to the reinsurers as it currently stands. The figures below include claims which were finalised prior to liquidation and loss assessment costs incurred, against which reinsurance monies can be recovered.

		September 2010 Earthquake		February 2011 Earthquake		Total both events	
Note	Type of claim	No. of claims	Value (\$) (excl. GST)	No. of claims	Value (\$) (excl. GST)	No. of claims	Value (\$) (excl. GST)
1)	Accepted/ closed claims	98	23,243,792	116	41,908,252	214	65,152,044
2)	Assessed claims	0	0	1	57,544	1	57,544
	Total	98	\$23,243,792	117	\$41,965,796	215	\$65,209,588
Note							
1)	Comprises of all claims completed / closed post liquidation, agreed / settled / closed prior to liquidation.						
2)	Comprises of all assessed claims which are yet to be formally agreed to by the insured.						

Reinsurance

The following is a summary of reinsurance position to date:

	Value (\$)
Reinsurance funds received to date	25,850,171
Maximum reinsurance recoveries yet to be received	12,420,503
Total reinsurance recoveries	\$38,270,674

The reinsurance recoveries are subject to the reinsurers accepting the claims lodged and remitting proceeds to us.

We continue to liaise with the remaining reinsurers. We have agreed settlement with one of them and await funds to be received in the Company's account. We have provided all information to the remaining reinsurers and expect their agreement to the claims shortly.

We expect to complete recovery of the reinsurance proceeds by mid-2017 and distribute funds to the Canterbury Policy Holders ("CPHs") thereon.

Distribution

We made an initial distribution of reinsurance funds on hand on 23 February 2017.

The distribution was made to the CPHs participating in the distribution and / or their interested parties to the extent of their interest.

The following provides details of the distribution:

Earthquake	Sep-10	Feb-11
	Value (\$ (incl. GST)	Value (\$ (incl. GST)
Distribution 23.01.2017 (amount incl. GST)	9,171,742	9,529,612
Distribution (% of total loss)	35%	20%

We note that the amounts paid are inclusive of GST. Therefore, if you are registered for GST, you seek your own advice in relation to your requirement to remit GST to the Inland Revenue.

On the basis of the reinsurance monies estimated to be received overall and the costs estimated to be incurred, we estimate CPHs (and or their interested parties to the extent of their interest) will further receive the following percentages of their losses:

Earthquake	Sep-10	Feb-11
	%	%
Further percentage estimated you will receive	20% - 40%	15% - 20%

Please note the above are estimates only and subject to change as this is dependent on the successful recovery of all reinsurance monies due.

The level of pay-out for each earthquake is different because of the different level of re-insurance held by Western Pacific and because of the higher value of claims for the February earthquake

Costs incurred

The following is a summary of costs incurred during the two months ended 31 January 2017.

	\$
Loss adjustors and engineers	3,097
Claim office costs	17,355
Legal fees (reinsurance)	7,419
Legal fees (other matters)	1,326
Liquidators fees (non-earthquake)	3,052
Liquidators fees (reinsurance)	86,058
Total	\$118,307

Other Matters

Contact details

Please forward general enquiries to westernpac@nz.gt.com and we will respond as soon as possible.

For any claims enquiries please call Elena Rovida on (04) 495 1723 or Elena.Rovida@nz.gt.com for any queries.

Further information

Further information including correspondence to date and documents relating to our application for Court directions are available on our website www.granthornton.co.nz.

Disclaimer

The statements and opinions expressed in this report have been made in good faith, and on the basis that all information that we have relied upon is true and accurate in all material respects. In preparing this report we have relied upon, and have not necessarily independently verified, the information and explanations provided to us and we express no opinion as to the accuracy or completeness of that information, other than to note that our investigations are ongoing.

The contents of this report are based on the information available to us at the date of this report. If we become aware of any additional information not known to us at the date of this report, we reserve the right, but shall not be obliged to, review or update this report.

Concluding the Liquidation

We estimate that the liquidation will be completed in 2017. This is dependent on the reinsurance funds being received.

The liquidators will provide further updates to creditors when sufficient information becomes available. Should you have any queries in relation to any matter raised in this report please contact us on westernpac@nz.gt.com or refer to the Grant Thornton website.

Dated: 13 March 2017



David Ruscoe
Liquidator



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