



Western Pacific Insurance Limited (In Liquidation)

Report to Creditors dated 21 December 2015

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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 department can be contacted on (09) 365 1642 or claims@westernpacins.com.

Address: PO Box 31065, Lower Hutt Box Lobby, Lower Hutt, 5040.

Canterbury Policy Holders

Claims assessment

As previously reported, to advance negotiations with the other reinsurers efficiently, we have instructed the loss adjusters to review the largest earthquake claims first. This does not mean that the largest claims will receive a settlement of their claim in advance of other Canterbury policy holders. Distributions to Canterbury policy holders will occur after all earthquake claims have been quantified and agreed.

We continue to work closely with three loss adjusters to progress the claims. We regularly meet with the loss adjusters and engineers as part of our ongoing procedures to monitor their progress.

Our current estimate for completion of loss assessment of the earthquake claims is by 30 January 2016

This table provides a summary of the status of the claims as it currently stands:

Note	Sept 2010 Earthquake		Feb 2011 Earthquake		Total claims	
	Number of claims No.	Value \$	Number of claims No.	Value \$	Number of claims No.	Value \$
1 Claims assessed and accepted	21	\$10.84m	23	\$18.52m	44	\$29.36m
2 Assessed claims	37	\$10.84m	51	\$16.42m	88	\$27.26m *
3 Claims partially assessed	29	\$2.14m *	39	\$8.97m *	68	\$11.11m *
4 Closed	10	-	4	-	14	-
	97	\$23.82m *	117	\$43.91m *	214	\$67.73m

* Estimated values. We expect that the quantum of claims may increase as assessments are completed.

Note:

- 1) Claims have been fully assessed and insured parties have formally accepted the quantified loss.
- 2) Claims have been fully assessed; however insured parties are yet to formally accept the quantified loss.
- 3) The material damage component of these claims has been quantified; the business interruption component is yet to be fully quantified by loss adjusters.
- 4) Losses of these claims have been quantified as NIL

We note the total number of claims has increased slightly from our last report dated 20 October 2015 (from 209 to 214). This is due a number of claims originally made for one of the two earthquake events having damage that has resulted in assessment of losses also for the other earthquake event.

Reinsurance

The following is an estimate of the reinsurance recovery as at 30 November 2015.

	\$	\$
Total reinsurance proceeds available - estimated	35,814,074	
Less outstanding reinsurance premiums - estimated	(1,725,890)	
Total net reinsurance recoveries - estimated		34,088,184
Less:		
Total received by liquidators as at 30 November 2015 (net of outstanding premiums)		(5,855,456)
Total reinsurance recoveries yet to be received – estimated (subject to costs)		\$28,232,728

We continue to liaise with various reinsurers in regards to the assessed claims and expected recoveries.

We expect to complete the recovery of the reinsurance proceeds during 2016.

Costs incurred

The following is a summary of costs incurred during the two months ended 30 November 2015.

	\$
Loss adjustors and engineers	113,093
Claim office costs	26,324
Legal fees (non-earthquake)	1,974
Legal fees (reinsurance)	19,359
Liquidators fees (non-earthquake)	9,452
Liquidators fees (reinsurance)	57,276
Brokerage fees – Reinsurance Brokers	17,645
Total	\$245,123

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 (09) 365 1642 or forward to claims@westernpacins.com.

Further information

Further information including correspondence to date and documents relating to our application for Court directions are available on our website www.grantthornton.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 2016. This is dependent on the loss assessment and reinsurance recovery work being completed in line with current expectations.

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: 21 December 2015



David Ruscoe
Liquidator



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