



Western Pacific Insurance Limited (In Liquidation)

Report to Creditors dated 23 August 2016

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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

All known claims have now been assessed by loss adjusters. We are now waiting on 12 insured parties (being 26 losses) to return the discharges.

Distributions to Canterbury policy holders will be made after all earthquake claims have been agreed with insureds and after sufficient funds are received from reinsurers.

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

Note	Type of claim	September 2010 Earthquake		February 2011 Earthquake		Total Claims	
		No. of claims	Value (\$)	No. of claims	Value (\$)	No. of claims	Value (\$)
1)	Accepted/ closed claims	82	21,263,234	107	\$ 35,161,664	189	56,424,898
2)	Assessed claims (awaiting discharge sign off)	15	1,796,195	11	\$ 6,758,974	26	8,555,168
3)	Claims partially assessed	0	-	0	\$ -	0	-
	Total	97	\$ 23,059,429	118	\$ 41,920,637	215	\$ 64,980,066

Note:

- 1) Comprises of all claims completed or closed post liquidation and agreed, settled or closed prior to liquidation
- 2) Comprises of all fully assessed claims which are yet to be formally agreed to by the insureds
- 3) Comprises of all claims for which assessment by the loss adjuster is ongoing

Reinsurance

The following is an estimate of the reinsurance recovery as at 23 August 2016.

	\$	\$
Total reinsurance proceeds available - estimated	35,660,046	
Less outstanding reinsurance premiums - estimated	(1,791,986)	
Total net reinsurance recoveries - estimated		33,868,060
Less:		
Total received by liquidators as at 19 August 2016 (net of outstanding premiums)		(9,513,232)
Total reinsurance recoveries yet to be received – estimated		
(subject to costs)		\$24,354,828

As at 23 August 2016 we have received \$9.51 million from the reinsurers after allowing for premiums paid and deducted by the reinsurers. We continue to liaise with reinsurers and provide further information in regards to the assessed claims and expected recoveries.

Based on all the claims being assessed we have sent to reinsurers details of the full claims we believe they owe Western Pacific as the confirmed losses are in excess of reinsurance limits and any assessed loss will not decrease.

We have received full payment from 1 reinsurer following this request and expect to receive further payments shortly.

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 31 July 2016.

	\$
Loss adjustors and engineers	3,762
Claim office costs	18,401
Legal fees (reinsurance)	5,012
Legal fees (other matters)	475
Liquidators fees (non-earthquake)	9,315
Liquidators fees (reinsurance)	89,624
Brokerage fees – Reinsurance Premiums	21,735
Preferential Creditor distribution	7,836
Total	\$156,161

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: 23 August 2016



David Ruscoe
Liquidator



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