



DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
Insurance Division

News Release

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STATE INSURANCE DIVISION COMPLETES LIQUIDATION OF HIH HAWAII

HONOLULU – The Hawai`i State Insurance Division has successfully closed HIH America Insurance Company of Hawai`i, a Hawai`i workers compensation insurance company.

Financial problems of its affiliated companies in Australia and California led to the downfall of the company in March 2001, when its ability to pay its claims and vendors was jeopardized. The Insurance Commissioner seized HIH Hawai`i's operations when it became insolvent, and, under the Hawai`i Insurance Division's control, paid 100 percent of all claims of injured workers, policyholders, and Hawai`i creditors.

More than \$18 million of assets were recovered and paid out to creditors located in Hawai`i and California.

"The Insurance Division's accomplishment is exemplary since in almost all cases creditors of an insolvent insurer could reasonably expect to receive only a partial recovery, usually 10 to 20 cents on the dollar," stated Insurance Commissioner J.P. Schmidt. "We moved quickly to seize assets and aggressively pursued claims of the company to achieve a very good result for consumers."

HIH Hawai`i has received court approval to disburse its remaining assets and dissolve the corporation before the end of the year.

To learn more, contact the Hawai`i Insurance Division at 586-2790.

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