



DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
Insurance Division

News Release

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POLICYHOLDERS OF FAILED INSURANCE COMPANY HIH HAWAII RECEIVE MILLIONS IN PAYMENTS

HONOLULU – Hawaii Insurance Commissioner J.P. Schmidt released the final payments from the estate of the failed insurer HIH America Insurance Company of Hawaii, Inc. HIH Hawaii has now paid 100 percent of its Hawaii creditors in full.

“Typically, insolvent companies or bankruptcies are not this successful and normally repay 10 to 20 cents on the dollar to creditors,” explained Schmidt. “The Hawaii Insurance Division has an exceptional record of successful management of insolvent companies to protect the public and the creditors.”

Schmidt released \$2.7 million to the Hawaii Insurance Guaranty Association for the future payment of workers compensation claims, \$1 million to 25 individual HIH Hawaii policyholders, and assets valued at \$9 million to the California Insurance Department for moneys owed to the affiliated companies.

“We took control of HIH Hawaii and guaranteed the uninterrupted payments to all of the workers compensation claimants,” said Schmidt. Most of HIH Hawaii’s hundreds of vendors, creditors, and policyholders who were owed in excess of \$10 million were paid early in the liquidation proceedings.

HIH Hawaii was a local corporation that provided workers compensation insurance to businesses in the state. Financial troubles at its affiliated insurance companies in California and Nevada and its parent company in Australia made its continued operation hazardous to the public.

The Insurance Commissioner seized control of the operations of HIH Hawai'i on March 30, 2001 and, with court approval, took it into liquidation on May 18, 2001.

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