



HOME

INSURANCE

RISK MANAGEMENT

CLAIMS SERVICES

ABOUT LAWCOVER

SITE MAP

NEWS

[Top Up Insurance](#)

[Previous Updates](#)

Thursday 7 June 2001

Update on HIH Provisional Liquidation Update No. 7

Previous updates provided information on the HIH provisional liquidation and LawCover's proposal to use the unallocated reserves within the Solicitors' Mutual Indemnity Fund (SMIF) to fund all claims and defence costs affected by the provisional liquidation.

This Update No.7 is a joint statement released by the Attorney General of NSW, the Law Society of NSW and LawCover. It provides the current status of progress towards implementing the proposal.

Earlier updates can be accessed by clicking on the icon "[Previous Updates](#)" at the top and bottom of this page. Information regarding "[Top Up Insurance](#)" can be accessed by clicking on the icons at the top and bottom of this page.

Joint Statement Released By The Attorney General Of NSW, The Law Society Of NSW And LawCover Pty Ltd.

"HIH PROVISIONAL LIQUIDATION AND LAWCOVER'S RESCUE PACKAGE FOR SOLICITORS

LawCover is negotiating the use of the Solicitors' Mutual Indemnity Fund (SMIF) to pay claims on behalf of solicitors who were insured with HIH for compulsory professional indemnity insurance (PII). The use of SMIF in this way would be underpinned by agreements with solicitors and the provisional liquidators of HIH.

The Attorney General has been advised of the negotiations, and is considering whether the use of SMIF in this manner is permitted by the Legal Profession Act 1987 or whether legislative amendment is required.

The Attorney General has indicated his support in principle for the package, on the basis of the considerations set out below. These matters have been agreed by LawCover and the Law Society of NSW.

1. The entire corpus of SMIF will be made available to meet pre-1998 claims, and for compulsory PII liabilities arising following the collapse of HIH Insurance Limited.
2. LawCover must undertake to pay 100% of all claims, including claim and defence costs.
3. Premium commissions received by the Law Society as a part of the arrangement with HIH in 1998, 1999 and 2000 are to be made available to meet outstanding HIH liabilities; and
4. Further contributions or levies may be raised from solicitors so as to ensure all HIH liabilities are met in full. The capacity of SMIF reserves to meet these liabilities is not to be compromised in any way by exposing them to further actual or potential liabilities.

The Attorney General's overriding concern is to protect consumers, and he is currently considering the details of the package, together with LawCover. It is expected that further announcements will be made soon."

[Top Up Insurance](#)

[Previous Updates](#)

FAST TRACK

PUBLICATIONS

BUDDY NETWORK

CONTACT US

Recent News
17 May Buddy
Network Meeting



© LawCover Pty Limited, 2001