



## **Highlands Insurance Company (U.K.) Limited (in Administration) - PwC announces payment in full to direct policyholders**

A scheme of arrangement designed to deal with the direct insurance business of Highlands UK and to facilitate the resolution of a long-standing legal dispute with Highlands Insurance Company in the US, became effective in August 2009. The joint administrators are now pleased to announce that all claims submitted in accordance with the Scheme have been agreed and will be paid in full.

Dan Schwarzmann, partner at PwC and joint administrator of Highlands UK, said:

"The successful and timely implementation of this innovative Scheme is an important milestone in the company's closure plan and it is pleasing that all direct policyholders' claims will shortly be paid in full. It is now anticipated that a further scheme of arrangement, dealing with the claims of Highlands UK's reinsurance creditors, will be issued early in 2011."

**ENDS**

### **Notes for editors**

1. It is by virtue of the Insurers (Reorganisation and Winding Up) Regulations 2004 (SI 2004/353) that direct insurance creditors rank above other creditors.
2. Highlands UK was placed into Administration on 1 November 2007 after the directors concluded that the company was insolvent. As at 31 December 2005, the date of its last audited balance sheet, Highlands UK had gross technical insurance liabilities of approximately £77million.
3. The ultimate parent company of Highlands UK is Highlands Insurance Group Inc., incorporated in the State of Delaware, USA which, since October 2002 has (together with several subsidiaries) been subject to bankruptcy proceedings in Delaware, USA.

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