

**COLORADO BANKERS LIFE INSURANCE COMPANY (“CBLIC”) AND BANKERS  
LIFE INSURANCE COMPANY (“BLIC”)**

*February 27, 2023*

**Key Events**

<b>Date</b>	<b>Event</b>
June 27, 2019	<ul style="list-style-type: none"><li>• CBLIC and BLIC placed into Rehabilitation in the Superior Court of Wake County, North Carolina.</li><li>• Moratorium entered prohibiting surrenders, loans, or annuitizations.</li></ul>
November 1, 2022	<ul style="list-style-type: none"><li>• Rehabilitator filed a Petition for an Order of Liquidation against CBLIC and BLIC.</li></ul>
November 15, 2022	<ul style="list-style-type: none"><li>• GBIG Holdings, LLC (“GBIG”), which owns CBLIC and BLIC and is ultimately owned by Greg Lindberg, objected to the Petition.</li></ul>
November 21, 2022	<ul style="list-style-type: none"><li>• Court held a hearing on the Petition.</li><li>• At the conclusion of the hearing, the Court stated that the Petition would be granted over GBIG’s objection.</li></ul>
December 30, 2022	<ul style="list-style-type: none"><li>• Order entered denying objections, discovery, and continuance.</li><li>• Liquidation Order signed with a delayed effective date:<ul style="list-style-type: none"><li>○ If no appeal – Order effective March 31, 2023; or</li><li>○ If appealed – Order effective month-end occurring on or after 90 days after appeals are finally resolved.</li></ul></li></ul>
January 27, 2023	<ul style="list-style-type: none"><li>• GBIG filed an appeal of the Liquidation Order.</li><li>• Until the appeal is resolved, the Rehabilitation and Moratorium continue, and Guaranty Association coverage is not triggered.</li><li>• Unless the Liquidation Order is overturned on appeal, the Liquidation Order will become effective on the first month-end occurring 90 days after GBIG’s appeal is fully and finally resolved.</li></ul>

The following questions and answers relate to the CBLIC and BLIC Rehabilitation, are based on sources believed to be accurate, and are provided solely for general informational purposes. They do not address any specific situation, claim, or circumstance and are not intended to serve as legal or financial advice or as a complete legal description of the matters to which they relate. Nothing herein constitutes a binding legal representation or statement by the National Organization of Life and Health Insurance Guaranty Associations or any individual Guaranty Association. You should consult with an appropriate advisor if you have specific legal or financial questions concerning your individual circumstances. Further, the following questions and answers do not account for any subsequent events occurring on or after February 27, 2023.

## FREQUENTLY ASKED QUESTIONS

The National Organization of Life and Health Insurance Guaranty Associations (“NOLHGA”) prepared these Frequently Asked Questions to respond to common questions that policyholders may have about the liquidation of CBLIC and BLIC and their ongoing insurance coverage.

### Liquidation Court Proceedings

#### **1. What is the current status of CBLIC and BLIC?**

On December 30, 2022, the Receivership Court issued an Order of Liquidation against CBLIC and BLIC, but the Order is not yet effective. On January 27, 2023, GBIG Holdings, which owns CBLIC and BLIC, filed an appeal of the Liquidation Order. As a result of GBIG’s appeal, the Liquidation Order will not become effective until the first month-end occurring 90 days after GBIG’s appeal is fully and finally resolved and the Liquidation Order is affirmed on appeal.

Until the Liquidation Order becomes effective, CBLIC and BLIC will remain in Rehabilitation subject to a Moratorium prohibiting surrenders, loans, and annuitizations, and Guaranty Association coverage obligations will not be triggered.

#### **2. What will happen to an insurance policy when the Order of Liquidation against CBLIC and BLIC becomes effective and state Guaranty Associations are involved?**

Based on state laws, the life and health insurance Guaranty Associations will generally provide coverage and pay claims under the policy up to the lesser of the policy’s contractual limits or the Guaranty Association statutory limits. The Guaranty Associations will manage the policies and claims.

### Life and Health Insurance Guaranty Associations

#### **3. What is a life and health insurance Guaranty Association?**

Every state (including the District of Columbia and Puerto Rico) has a life and health insurance Guaranty Association to protect resident policyholders of its state. Most insurance companies licensed to write life and health insurance or annuities in a state are members of the state’s life and health insurance Guaranty Association. Based on state laws, the Guaranty Association generally provides its resident policyholders with continuing coverage of their insurance policies, subject to statutory limits, when a member life or health insurance company is found to be

insolvent and is ordered into liquidation by a court.

#### **4. What is the National Organization of Life and Health Insurance Guaranty Associations (NOLHGA)?**

NOLHGA is a voluntary association made up of the life and health insurance Guaranty Associations of all 50 states and the District of Columbia. To assist its member Guaranty Associations, when insurance companies licensed in multiple states have been or are anticipated to be declared insolvent, NOLHGA assembles a task force of Guaranty Association officials. This task force analyzes the company's policies and arranges for the ongoing administration of the covered policies or their transfer to a healthy/solvent insurer (when possible).

Since its creation in 1983, NOLHGA has assisted its member Guaranty Associations in guaranteeing approximately \$25.8 billion in coverage benefits for policyholders of insolvent member companies. In that time, the Guaranty Associations have protected more than 2.85 million policyholders associated with more than 100 multi-state insolvencies.

#### **5. When do Guaranty Associations take over coverage under the policies?**

Guaranty Association coverage will not commence until a Liquidation Order with a finding of insolvency becomes effective. At this time, the Liquidation Order for CBLIC and BLIC is not effective. However, Guaranty Associations are prepared to provide coverage in accordance with their statutes after the Liquidation Order becomes effective. The North Carolina Department of Insurance maintains a website with information about active receiverships, including CBLIC and BLIC. Please check that website for updates: <https://www.ncdoi.gov/insurance-industry/receiverships>.

#### **6. When will the Guaranty Associations accept the surrender of my annuity and pay my cash value?**

CBLIC and BLIC are subject to a court-ordered moratorium that prohibits surrenders except for hardships. Guaranty Associations will begin providing continuing coverage for the companies' insurance policies and annuities after a Liquidation Order with a finding of insolvency becomes effective, and that coverage will be subject to Guaranty Association coverage limits. At this time, the Liquidation Order for CBLIC and BLIC is not effective.

If and when the Liquidation Order becomes effective, notice will be provided to CBLIC and BLIC's policyholders regarding Guaranty Association coverage, including the process for submitting requesting a surrender from Guaranty Associations.

#### **7. Which Guaranty Association will protect me? Does it matter where I live?**

Typically, Guaranty Association protection will be provided by the Guaranty Association in the policy owner's state of residence as of the date that the Liquidation Order becomes effective. If the company was not licensed in the policy owner's state of residence, coverage will be provided by the Guaranty Association in North Carolina, where BLIC and CBLIC were domiciled.

**8. Are Guaranty Association laws identical in all states?**

Most state Guaranty Association laws are based on a model act of the National Association of Insurance Commissioners (NAIC). However, there can be variations from state to state.

**9. Will the Guaranty Association pay a policy's benefits in full?**

Most state Guaranty Associations provide up to \$250,000 in present value of annuity benefits, including net cash surrender/withdrawal values; \$300,000 in protection for life insurance death benefits; and \$100,000 for life insurance policy net cash values. However, a few states have different coverage limits, and other statutory limitations may apply. Additionally, Guaranty Association coverage may include an interest rate adjustment based on certain statutory exclusions.

**10. Will policy loans and reinstatements be allowed after liquidation?**

Policy loans and reinstatements will be allowed subject to the applicable interest and other terms of the policy.

**11. If policy values are higher than the Guaranty Association coverage limits, does a policy owner lose the difference in values?**

Not necessarily. Policy values on the date of liquidation that exceed the Guaranty Association coverage limits may become claims against the insolvent estate and may receive a distribution from the receivership, subject to North Carolina law and applicable orders of the court.

**12. Will health insurance policies issued by CBLIC be eligible for Guaranty Association coverage?**

CBLIC issued a very limited number of health insurance policies. Those policies are covered by the Guaranty Associations but may have different coverage limits. Most Guaranty Associations cover health benefits as follows: \$500,000 for basic hospital, medical, and surgical insurance or major medical insurance; \$300,000 for long-term care insurance and disability income insurance; and \$100,000 for other covered health insurance.

**Information on Premiums and Benefits**

**13. Should policyholders keep paying premiums?**

Failure to pay policy premiums due under your policy, in full and on time, may cause your policy to terminate. If your policy terminates, you will lose your benefits, including Guaranty Association coverage.

**14. Is there any change to the premium payment process?**

No. At this time, the process used for premium payments, claim submissions, and questions regarding insurance policies has not changed.

**Contact Information**

**15. Who can answer questions about the Bankers Life and Colorado Bankers Life Insurance Company receivership proceedings and the current status of my policy?**

Correspondence should be addressed to the appropriate Company at the following:

Bankers Life Insurance Company  
P.O. Box 11948  
Winston-Salem NC 27116

Colorado Bankers Life Insurance Company  
P.O. Box 11609  
Winston-Salem, NC 27116

Hardships forms may be emailed to the appropriate Company as follows:

For Bankers Life policies: [blic@actmanre.com](mailto:blic@actmanre.com)

For Colorado Bankers Life policies: [cbl@actmanre.com](mailto:cbl@actmanre.com)

For policyholder specific questions, contact the appropriate Company at:

For Bankers Life policies: 1-833-658-2840

For Colorado Bankers Life policies: 1-833-658-2841

**16. Who can answer questions about Guaranty Association coverage?**

The Guaranty Association in your state of residence can answer questions about coverage. You can find contact information for any Guaranty Association by calling 703.481.5206 - or on NOLHGA's website <http://www.nolhga.com/policyholderinfo/main.cfm>.