

**COLORADO BANKERS LIFE INSURANCE COMPANY (“CBL”) AND BANKERS  
LIFE INSURANCE COMPANY (“BLIC”), IN LIQUIDATION**

**FREQUENTLY ASKED QUESTIONS  
AS OF SEPTEMBER 10, 2024**

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

<b>Date</b>	<b>Event</b>
June 27, 2019	Rehabilitation Order Date <ul style="list-style-type: none"><li>• CBL and BLIC were placed into Rehabilitation in the Superior Court of Wake County, North Carolina.</li><li>• A moratorium that prohibited most surrenders, loans, or annuitizations was entered.</li></ul>
November 30, 2024	Scheduled Liquidation Order Effective Date <ul style="list-style-type: none"><li>• Guaranty Association coverage expected to commence.</li><li>• Subject to ongoing processing, covered payments are anticipated to commence as soon as reasonably practicable under the circumstances.</li></ul>

**1. What do policyholders need to do now?**

Policyholders do not need to do anything right now. Guaranty Associations are currently working with Actuarial Management Resources (“AMR”) to calculate Guaranty Association Covered Benefits under the circumstances. After that process is complete, and soon after the Liquidation Order becomes effective and Guaranty Associations are activated, you will receive a separate notice regarding your policy and Guaranty Association coverage. **PLEASE BE SURE TO READ THIS NOTICE CAREFULLY.** The notice will include instructions on how to request the forms necessary to take action with the applicable Guaranty Association concerning your policy, including but not limited to submitting claims to the extent applicable for life insurance benefits, health insurance benefits and surrendering or exchanging annuities. At that time, you may also access the online portal maintained by AMR and request a surrender or exchange of the covered portion of your annuity. However, processing of annuity surrenders and exchanges will not begin until after the Liquidation Order becomes effective and after the calculations for Guaranty Association coverage are completed. Subject to ongoing processing, covered payments are anticipated to commence as soon as reasonably practicable under the circumstances.

## **Liquidation Proceedings**

### **2. Why did I receive a notice about the insolvency of CBL and BLIC when I only have a policy or annuity with one of those companies?**

CBL and BLIC are affiliated insurance companies 100% owned by GBIG Holdings, LLC. On December 30, 2022, an Order of Liquidation (with an effective date subject to delay by appeals) was entered against both insurance companies by the Receivership Court in North Carolina, where both companies are domiciled (incorporated). After the Liquidation Order becomes effective, which is scheduled to occur on November 30, 2024, you should receive a notice regarding your specific policy or annuity, including any applicable Guaranty Association coverage. PLEASE READ THESE NOTICES CAREFULLY. They are not spam or junk mail. They contain important information about your policy or annuity and steps you must take to receive your benefits.

### **3. What is the status of CBL and BLIC?**

Effective November 30, 2024, CBL and BLIC will be placed in liquidation by order of the Superior Court of Wake County, North Carolina. The filings in that case are available online through the portal at: <https://portal-nc.tylertech.cloud/Portal/>. Click on the link for “Smart Search” and then search for the following case number: 19CVS008664-910. Additionally, the North Carolina Department of Insurance maintains a website with information about active receiverships, including CBL and BLIC. You can also check that website for updates: <https://www.ncdoi.gov/insurance-industry/receiverships>.

### **4. What will happen to my insurance policy or annuity now that CBL and BLIC are being liquidated?**

Each state’s Life and Health Insurance Guaranty Association will provide coverage and pay claims subject to the limitations and exclusions for Guaranty Association coverage established under the applicable state’s law.

### **5. Will the moratorium that prohibited most annuity surrenders, withdrawals, and exchanges when CBL and BLIC were in Rehabilitation apply to Guaranty Associations?**

No. The moratorium that has been in place since June 27, 2019, when CBL and BLIC were placed in rehabilitation, will not apply to benefits covered by a Guaranty Association. The moratorium will continue to apply to benefits that Guaranty Associations do not cover.

## **Life and Health Insurance Guaranty Associations**

### **6. What is a Life and Health Insurance Guaranty Association?**

Every state (plus the District of Columbia and Puerto Rico) has created a life and health insurance Guaranty Association to protect its resident policyholders. These associations are governed by state laws and financed through assessments of covered insurers. Based on state laws, the Guaranty

Association generally provides its resident policyholders with continuing coverage of their insurance policies, subject to statutory limitations and exclusions, when a member life or health insurance company is found insolvent and is ordered into liquidation by a court.

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

NOLHGA is a voluntary association comprised 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 more than \$25.6 billion in benefits for policyholders of insolvent insurance companies. In that time, the Guaranty Associations have protected more than 2.61 million policyholders associated with more than 100 multi-state insolvencies.

## **8. What is Actuarial Management Resources (AMR)?**

The Receiver retained AMR to administer the insurance policies and annuity contracts issued by CBL and BLIC while the companies were in rehabilitation. The Guaranty Associations have elected to continue using AMR to administer covered policies and contracts on their behalf when CBL and BLIC are placed in liquidation.

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

Guaranty Association coverage begins when a Liquidation Order with a finding of insolvency becomes effective. The Liquidation Order for CBL and BLIC is scheduled to become effective on November 30, 2024, at which point Guaranty Associations are prepared to provide coverage in accordance with their laws.

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

Yes, where you live matters. Typically, Guaranty Association protection will be provided by the Guaranty Association in the policy owner's state of residence. If the insolvent company was not licensed in the policy owner's state of residence, coverage is typically provided by the Guaranty Association in the insolvent insurer's state of domicile (in this case, North Carolina, where BLIC and CBL were domiciled).

## **11. 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.

**12. 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. Other limitations may apply, including, for example, an interest rate adjustment based on specific statutory exclusions. If you have more than one type of policy issued by the same company (for example, an annuity contract and life insurance policy issued by CBL), in most states the maximum amount of Guaranty Association coverage you will be able to receive under all of your policies combined is \$300,000.

**13. How will I know how much I will get paid on my policy?**

Soon after the Liquidation Order becomes effective and Guaranty Associations are activated, you will receive a separate notice regarding your policy and Guaranty Association coverage.

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

Not necessarily. Annuity or policy benefits on the date of liquidation that exceed the Guaranty Association coverage limits likely will be deemed claims against the insolvency estate in the liquidation proceeding and may receive a distribution, subject to North Carolina law and applicable orders of the Court.

**15. What are Guaranty Association Covered Benefits and Uncovered Benefits?**

Covered Benefits are insurance policy and annuity contract benefits covered by the Guaranty Association in your state of residence.

Uncovered Benefits are insurance policy and annuity contract benefits that will not be covered by the Guaranty Association in your state of residence because (a) your state law excludes them, or (b) they exceed your Guaranty Association's statutory limit of coverage. A portion of some policies could be uncovered. In some limited cases, an entire policy could be uncovered.

For example, if you own an annuity contract with a present value of \$400,000 when the Liquidation Order becomes effective, and your Guaranty Association provides a coverage limit of \$250,000 (the Covered Benefit limit established by most state laws) your Guaranty Association coverage would not exceed \$250,000. The remaining \$150,000 (the Uncovered Benefit because it is more than the statutory limit of Guaranty Association coverage) likely would be a claim against the insolvency estate in the liquidation proceeding.

**16. Will health insurance policies issued by Colorado Bankers Life Insurance Company be eligible for Guaranty Association coverage?**

CBL issued a minimal number of health insurance policies. The Guaranty Associations cover those policies subject to statutory limits. Soon after the Liquidation Order becomes effective and

Guaranty Associations are activated, you should receive a separate notice regarding your policy and Guaranty Association coverage.

**17. Should life and health insurance policyholders keep paying premiums?**

Yes. Failure to pay policy premiums due under your policy in full and on time may cause your policy to terminate and you will lose your benefits, including Guaranty Association coverage. At this time, no changes to premium amounts are anticipated.

**Information on Annuities**

**18. Will the Guaranty Associations allow me to exchange my annuity or surrender it and receive its cash value?**

Yes. After Guaranty Associations are activated, annuity owners may exchange an annuity or surrender the annuity and receive the cash surrender value, subject to statutory coverage limitations and exclusions. Any actions taken concerning a policy, including surrenders and exchanges, are processed based on the amount of contract benefits that Guaranty Associations cover. There may be tax consequences for surrenders or exchanges.

**19. What happens if I do not surrender or exchange my annuity?**

If you do not surrender or exchange your annuity, any Guaranty Association covered portion of your contract will remain in force and benefits will continue. Interest will be credited to the annuity's account or interest only payments will continue, subject to the contract's terms and Guaranty Association statutory coverage limitations and exclusions. Any uncovered policy or portion of a policy may be determined to be a claim against the insolvency estate in the liquidation proceeding and may receive a distribution, subject to North Carolina law and applicable orders of the Court.

**20. What is the Interest Rate Adjustment?**

Guaranty Association coverage protects limited interest based on a formula set forth in the Guaranty Association statute. The Interest Rate Adjustment applies in two ways. First, interest credited to the annuity before the date that the Liquidation Order becomes effective may be reduced if the interest rate exceeds the interest rate calculated using the formula set forth in the Guaranty Association statute. Like other benefits not covered by the Guaranty Association, the amount of interest that is not covered may be determined to be a claim against the insolvent insurer's estate liquidation proceeding, subject to North Carolina law and applicable orders of the Court. Second, interest credited to the annuity after the Liquidation Order becomes effective is reduced to the lower of the contract rate or the interest rate calculated using the formula set forth in the Guaranty Association statute.

## **Information on Life Insurance Policies**

### **21. Will policy loans and reinstatements be allowed post-liquidation?**

Policy loans and reinstatements will be allowed subject to the terms of the policy and your state Guaranty Association's law.

## **Miscellaneous**

### **22. Who can answer questions about my coverage?**

For questions about Guaranty Association Covered Benefits, contact:

#### **CBL Policies:**

Colorado Bankers Life Insurance Company  
PO Box 11609  
Winston-Salem, NC 27116  
Tel.: 1-833-658-2841  
Email: CBL@actmanre.com

#### **BLIC Policies:**

Bankers Life Insurance Company  
PO Box 11948  
Winston-Salem, NC 27116  
Tel.: 1-833-658-2840  
Email: BLIC@actmanre.com

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