

**COLORADO BANKERS LIFE INSURANCE COMPANY
BANKERS LIFE INSURANCE COMPANY
FREQUENTLY ASKED QUESTIONS
Updated February 13, 2023**

1) What happened to my insurance company?

Colorado Bankers Life Insurance Company and Bankers Life Insurance Company (collectively the “Companies”) consented to an Order of Rehabilitation entered on June 27, 2019 (“Rehabilitation Order”), by the Superior Court of Wake County, North Carolina (“Court”) pursuant to a petition filed by the Commissioner of Insurance of the State of North Carolina, Mike Causey (“Commissioner”). The Commissioner took action after determining that the long-term liquidity of the investment portfolios of the Companies had deteriorated to the point that the North Carolina Department of Insurance (“Department”) needed to act to protect the policyholders of the Companies.

The Court appointed the Commissioner as Rehabilitator of the Companies (“Rehabilitator”). The Rehabilitator appointed Noble Consulting Services, Inc. (“Noble”), to serve as Special Deputy Rehabilitator to oversee the rehabilitation process. Mike Dinius and John Murphy of Noble act for the Rehabilitator in the rehabilitation proceeding, under the title of Special Deputy Rehabilitators.

On December 30, 2022, the judge signed an Order of Liquidation that will place the Companies into liquidation when the Order becomes effective. Greg Lindberg’s company, GBIG Holdings, LLC, filed a Notice of Appeal of the Order of Liquidation on January 27, 2023. The appeal delays triggering the state life and health insurance guaranty associations and delays payments to policyholders. Until the Order of Liquidation becomes effective, the Companies remain in rehabilitation.

Please refer to one of the following websites to review important information regarding the Order of Liquidation and other matters regarding the Companies. You may also sign up to receive email notifications related to receivership updates. Please see FAQ 25 below.

- www.cbllife.com
- www.bankerslifeinsurance.com
- www.ncdoi.gov/insurance-industry/regulatory-actions-receiverships

2) What is the current financial condition of my insurance company?

The Companies are insolvent, as set out in the Order of Liquidation. The Companies were placed into Rehabilitation to preserve the assets of the Companies for the protection of policyholders. This was done to protect the overall account values of the Companies’ annuity holders and the interests of all policyholders. Due to the issues with the Companies’ investments, it was necessary to place the Companies under Court protection.

3) How long will rehabilitation take?

The rehabilitation will last until the Order of Liquidation becomes effective.

4) What is the purpose of a rehabilitation order?

The primary purpose of the Rehabilitation Order is to protect and treat all policyholders equitably. The Rehabilitation Order was consensual, meaning that it was approved by the Board of Directors of the Companies. Pursuant to the Rehabilitation Order, the Rehabilitator acquired the powers and authority of the officers and directors of the Companies to manage the Companies. The Rehabilitator redelegated those powers and authority to the Special Deputy Rehabilitators. The Rehabilitation Order is intended to safeguard the assets of the Companies and to continue services in a cost-effective manner. Once the Order of Liquidation becomes effective, the Companies' policy obligations will be covered by various state life and health insurance guaranty associations subject to applicable statutory limits and requirements.

5) Why does restricting certain policy activities ensure policyholders are treated equitably?

It is in the best interests of the policyholders to impose a moratorium on cash surrenders, new annuitizations, and policy loans to conserve the assets of the Companies. An inordinate amount of cash outflows could impact the equitable treatment of policyholders. In the absence of an exception to the moratorium, payments to some policyholders ahead of other policyholders are prohibited to ensure that some policyholders are not granted a preference over other policyholders.

6) Are the Companies in receivership or liquidation? What is the difference?

The Companies are in rehabilitation, which is a form of insurance receivership. Rehabilitation is a court approved safeguard used in conjunction with the regulatory oversight of the Department to extend protections that are not available to insurance companies in the normal course of business.

The Court has ordered the Companies into liquidation, which is a different form of receivership. However, GBIG Holdings, LLC, filed a Notice of Appeal of the Order of Liquidation on January 27, 2023. The appeal delays triggering the state life and health insurance guaranty associations and delays payments to policyholders. Until the Order of Liquidation becomes effective, the Companies remain in rehabilitation.

7) Who is running the Companies?

North Carolina Insurance Commissioner Mike Causey, as Court appointed Rehabilitator, replaced the management of the Companies pursuant to the Rehabilitation Order. The Rehabilitator hired Noble to act as Special Deputy Rehabilitator to oversee daily operations. Noble utilizes third party administrator Actuarial Management Resources ("AMR") for administration of the Companies.

8) Will my interest rate or crediting rate change?

Interest will continue to be credited at guaranteed rates.

9) Can I still get my monthly interest payments?

Yes, existing monthly interest distributions will continue uninterrupted. The Rehabilitator petitioned the Court for approval to pay contractual interest-only payments on annuities as of November 1, 2022, and going forward, as an exception to the moratorium until the Order of Liquidation becomes effective. The Court granted the petition on February 6, 2023. Policyholders will have the option to activate interest-only payments if allowed under their contracts. More information will be posted on the Companies' websites. There will be no payments of retroactive interest accumulated prior to November 1, 2022 at this time.

10) Are Required Minimum Distributions (RMDs) from IRAs available?

Yes, RMDs for IRAs will be processed as received. Note that bulk distributions or transfers other than RMDs will not be allowed at this time, except pursuant to exceptions to the moratorium.

11) How will surrenders or requests for distributions be handled during the rehabilitation?

In order to preserve assets for the benefit of all policyholders, the Court has ordered a moratorium on cash surrenders, new annuitizations, and policy loans, meaning they will not be honored so long as the Court's order is in place. This moratorium has no set expiration date and will last until lifted by the Court. The Court approved a prior partial withdrawal program that is now concluded. The Rehabilitator plans to file an additional petition with the Court seeking approval to allow a second limited partial withdrawal distribution to policyholders as an exception to the moratorium.

12) Will penalty-free partial withdrawals be allowed?

Withdrawals can be made only pursuant to Court approved exceptions to the moratorium. Current exceptions to the moratorium include death benefits, health insurance claims, payments on annuities that have reached the contractual maturity date, required minimum distributions on IRAs, financial hardship payments, and optional interest-only payments as noted above.

13) Is there a hardship program to request a withdrawal of funds?

Yes. A hardship program has been put in place. A hardship request form with instructions to request funds for an immediate economic need is available on each of the Companies' websites. Each individual application will be fully reviewed, and a response provided as to whether the hardship is approved. It will take approximately 14-21 days to review a request once all information has been received.

14) My annuity matures soon. How are matured annuities handled?

Annuities that mature will be paid. Please be aware that there is a difference between the Maturity Date and end of the surrender charge period. The Maturity Date is the contract anniversary date in the year following the date that the Annuitant reaches maturity age, typically age 95. This is different from the end of the surrender charge period. The surrender charge period is the time frame during which the owner cannot withdraw funds without incurring a surrender charge. The surrender charge period is typically 3 to 7 years after you purchase the annuity. The end of the surrender charge period does not mean that the annuity has matured. Check your policy for specific contract information.

15) How will death claims on annuity contracts be handled?

Death claims will be processed without interruption.

16) Can I continue to add money to my annuity account?

No. At this time the most prudent stance is to not add additional funds that could be restricted during the rehabilitation proceeding. Therefore, new contracts or additional deposits on annuities are not being

accepted or processed until further notice. All new applications and premiums in process, received after the date of rehabilitation, will be returned. Automated or bank draft contributions will be cancelled. All annuity premium reminder notices sent in the past have also been stopped.

17) Will medical claims be paid?

Yes, medical claims will be paid in full, on claims incurred through expiration of the policy

18) How long will the moratorium on surrenders be in place?

The Court will lift the moratorium when it determines that it is appropriate to do so. There is no timeframe for how long the moratorium will last.

19) Has there been any progress made since the beginning of rehabilitation?

On November 1, 2022, Commissioner of Insurance Mike Causey filed a petition to place the Companies into liquidation. On November 21, 2022 the judge ruled the Companies would be placed into liquidation. On December 30, 2022 the judge signed the Order of Liquidation. The Order of Liquidation becomes effective as of the first month-end occurring on or subsequent to ninety (90) days after the later of: (1) the entry of the Order; (2) a decision of the North Carolina Court of Appeals affirming the Order, if further review of that decision is not sought; (3) an order by the North Carolina Supreme Court denying discretionary review of this case; or (4) a decision of the North Carolina Supreme Court affirming the Order. Greg Lindberg's company, GBIG Holdings, LLC, filed a Notice of Appeal of the Order of Liquidation on January 27, 2023. The appeal delays triggering the state life and health insurance guaranty associations and delays payments to policyholders. Once the final order of liquidation becomes effective, the Companies' policy obligations will be covered by various state life and health insurance guaranty associations subject to applicable statutory limits and requirements. Until then, the Companies remain in rehabilitation. See a list of Frequently Asked Questions about the Order of Liquidation available on the Department's website at www.ncdoi.gov/insurance-industry/regulatory-actions-receiverships and on the Companies' websites at www.cbilife.com and www.bankerslifeinsurance.com.

20) Will I receive a notification when the rehabilitation is over?

A notice will be posted on the Companies' and the Department's websites when the rehabilitation has ended.

21) What happens to my policy if rehabilitation does not work?

Once the Order of Liquidation becomes effective, rehabilitation will end and the Companies' policy obligations will be covered by various state life and health insurance guaranty associations subject to applicable statutory limits and requirements. Those associations help protect policyholders up to state specific guaranty fund coverage limits. See also FAQ 23 and FAQ 24 below.

22) Will my agent remain appointed?

Any existing agent appointments have been terminated. Agents will still have administrative access to their client's contract information as of September 30, 2021. If you need current account information, please contact AMR customer service at:

Colorado Bankers Life Insurance Company: 1-833-658-2841

Bankers Life Insurance Company: 1-833-658-2840

23) How do state life and health guaranty associations work?

State life and health insurance guaranty associations (“SGAs”) are triggered when a state court orders a life and health insurance company into liquidation, with a declaration of insolvency and the order becomes effective. SGAs have been established in each state, as well as the District of Columbia and Puerto Rico, to provide a measure of protection in the event of the insolvency of an insurer. SGAs were created to protect policyholders, certificate holders under group policies, annuitants, and their beneficiaries from loss due to the insolvency of an insurer licensed to do business in the state where the claimant resides, up to coverage limits in each state. Once a liquidation order becomes effective, each state's SGA provides coverage to the company's policyholders who are residents of that state up to the coverage limits specified by state laws. Any policy benefit amounts above the SGA coverage limits would become claims against the company's remaining assets, after all administrative expenses are paid.

24) How do I find the state life and health guaranty information for my state?

<https://www.nolhga.com/policyholderinfo/main.cfm>. There is a drop-down box to find your state.

25) Where can I get more information?

For further questions contact the appropriate Company as follows:

Colorado Bankers Life Insurance Company 1-833-658-2841

Email notification sign up: <https://cblife.com/Home/RehabDetails#!>

Bankers Life Insurance Company 1-833-658-2840

Email notification sign up:

<https://www.bankerslifeinsurance.com/Home/RehabDetails>