

TOWN HALL MEETING

15 May 2019



RESOLUTION LIFE
ASSURANCE COMPANY LTD



AGENDA

BACKGROUND TO THE LIQUIDATION

ELIGIBILITY AND THE SETTLEMENT PROCESS

QUESTION AND ANSWER SESSION

SETTLEMENT ILLUSTRATIONS

BACKGROUND

BACKGROUND TO THE LIQUIDATION

- Current economic factors
- Objectives of BERT programme
- Solution was unsustainable and disadvantageous to the people of Barbados:
 - \$600 million in public debt was committed by the previous administration to support the bailout
 - only \$60 million in real estate assets was recovered from CLICO in comparison
 - ResLife has not sold new policies since inception



BACKGROUND TO THE LIQUIDATION

Implementation of revised action plan by liquidation of ResLife to:

- Reduce debt
- Reduce annual expenditure on interest
- Provide cash to policyholders to stimulate the economy
 - ✓ more than \$400 million will be injected into the economy
 - ✓ including over \$100 million in cash.
- Bring an end to the CLICO and BAICO sagas

MANAGING THE LIQUIDATION PROCESS

- The Financial Services Commission will provide regulatory oversight
- ResLife will manage its processes to ensure an orderly wind-up of the company



LIQUIDATION ROADMAP

PAYMENTS TO POLICYHOLDERS

START

10
JUNE

17
JUNE

24
JUNE

JULY
2019

PAYMENTS TO POLICYHOLDERS

29
JUL 7

22
JULY

15
JULY

8
JULY

1
JULY

AUGUST
2019

PAYMENTS TO POLICYHOLDERS

5
AUG

12
AUG

19
AUG

26
AUG

END

THE SETTLEMENT PROCESS



ELIGIBLE POLICIES

- ✓ Active policies as at 31 March 2019 with positive net cash or fund values
- ✓ Claims that remain unpaid as at 31 March 2019
- ✓ Cash value of surrenders unpaid as at 31 March 2019
- ✓ Executive Flexible Premium Annuities/ ResLife Liquidation Annuity Contracts
- ✓ Pensions due

EXCLUDED POLICIES



Term Life Policies



Critical Illness Policies



Individual Health
Policies & Group Health
and Life Policies



Lapsed Policies

VALUATION OF POLICIES AND CLAIMS

Active Life Policies	Net Cash Value <i>(Gross Cash Value – Policy Loans – Automatic Premium Loans)</i>
Active Annuity Policies	Fund Value
EFPAs	Principal <i>(Total Value as at June 2011 – Interest Credited)</i>
Claims	Claim Value (as Originally Determined) <i>(Face or Fund Value - Policy Loans)</i>
Pensions	Actuarial Value <i>(Best Estimate Reserve)</i>

SETTLEMENT BY CATEGORY

CATEGORY*	VALUATION	PAYMENT METHOD	
		Amount < \$20,000	Amount > \$20,000
Life Policies	Net cash value	Cheque	Series B Bond
Annuity Policies - less than 4 years to maturity	Net fund value	Cheque	Series B Bond
Annuity Policies - more than 4 years to maturity	Net fund value	Series B Bond	
Pensions	Remaining value	Cheque	Special 0.25% 15-Year Bond
EFPAs	Principal	Special 0.25% 15-Year Bond	
Claims	Claim value	Cheque	Series B Bond
Surrenders	Surrender value	Series B Bond	

*** Policyholders will be entitled to one lump sum payment of \$20,000.00 per group of policies/claims outstanding**

THE PAYMENT PROCESS



Communications to Policyholders

Appointment date

List of required documents

Policy Statement showing cash/fund value and payment breakdown



Face to Face Meetings

Present letter and required documents

Sign release

Receive payment

THE PAYMENT PROCESS

Adhere to appointment times

Ensure that you have the required documents

- Original Policy Contract
- 2 forms of valid Govt issue ID
- Recent proof of address (utility bill or bank statement issued during the last 3 months)

Thirds parties acting on behalf of policyholders

- Relevant legal documents granting authority to act

**Submit
your
questions
to:**

538-8088



ILLUSTRATIONS

Ordinary Life, Universal Life & Endowments

ERIC has one of the policies mentioned above and the final net cash value was \$15,776.60. **Eric receives a cheque for \$15,776.60.**

ANGELA has one of the policies mentioned above and the final net cash value was \$33,333.33. **Angela will receive a cheque for \$20,000.00 and will be issued with a Series B Bond with a face value of \$13,333.33. (20,000.00 + 13,333.33 = 33,333.33)**

Flexible Premium Annuities

Active Policies as at 31 March 2019 and within 4 years of maturity

TRACEY has a Flexible Premium Annuity @ Age 60 policy and the final net fund value was \$15,776.60. Tracey is currently 58 i.e. the policy would have matured within 2 years. Tracey **receives a cheque for \$15,776.60.**

FEDERICK has a Flexible Premium Annuity @ Age 70 policy and the final net fund value was \$33,333.33. Frederick is currently 67 i.e. the policy would have matured within 3 years. **Frederick will receive a cheque for \$20,000.00 and he will be issued with a Series B Bond with a face value of \$13,333.33. (20,000.00 + 13,333.33 = 33,333.33)**

Flexible Premium Annuities

Active Policies as at 31 March 2019 with more than 4 years to maturity

TRICIA has a Flexible Premium Annuity @ Age 65 policy and the final net fund value was \$25,000.00. Tricia is currently 41 i.e. the maturity date for the policy is more than 4 years away. **Tricia will be issued with a Series B Bond with a face value of \$25,000.00.**

Pensions

DAVID receives a pension from his FPA Policy of \$239.04. He received his monthly pension from January 2016 onwards. The Remaining Value of Annuity Fund = \$27,491. **David will receive a cheque for \$20,000.00 and he will be issued with a Special 0.25% 15 Year Bond with a face value of \$7,491.00. (20,000.00 + 7,491.00 = 27,491.00)**

PATRICK receives a pension from his FPA Policy since January 2014. His monthly pension is \$126.06. The Remaining Value of his Annuity Fund = \$14,192. **Patrick will receive a cheque for \$14,192.00**

Pensions (Survivors & Beneficiaries)

JOSEPH received a pension from his FPA Policy from January 2012. His monthly pension is \$300 and he opted for a 10-year guarantee period which ends December 2021. He received his pension from January 2012 but died tragically in January 2014 and his named survivor (**his widow**) received his pension from January 2014 onwards. She is entitled to receive the payments due from June 2019 to the end of the guarantee period (December 2021) of \$9,300 ($\300×31). **The widow will receive a cash payment (cheque) for \$9,300**

EFPA's

JOHN has an **EFPA policy** with a total value of \$19,776.60. This amount includes interest of \$4,776.60 so the Original Value of the policy is calculated as \$15,000.00 ($19,776.60 - 4,776.60$). **John will be issued with a Special 0.25% 15-Year Bond with a face value of \$15,000.00.**

JANE has an **EFPA policy** with a total value of \$375,925.00. This amount includes interest of \$15,925.00 so the Original Value of the policy is calculated as \$360,000.00 ($375,925.00 - 15,925.00$). **Jane will be issued with a Special 0.25% 15-Year Bond with a face value of \$360,000.**

Claims

CLARK was the **sole beneficiary of a life policy** with a face value of \$50,000. There were no loans or debts against the policy, so Clark was entitled to a claim payment of \$50,000. ResLife previously paid Clark \$37,500 of the amount due. Clark is now owed \$12,500.00. **Clark will receive a cheque for \$12,500.00.**

CHARLES was the sole beneficiary of a life policy with a face value of \$150,000. There were loans against the policy, so Kent was entitled to a net claim payment of \$123,453.00. ResLife previously paid Clark \$92,589.75 of the amount due. Clark is now owed \$30,863.25. **Charles will receive a cheque for \$20,000.00 and he will be issued with a Series B Bond with a face value of \$10,863.25 (20,000.00 + 10,863.25)**

Claims

LOIS' Mom passed away without a will and left an **annuity policy** with a fund value of \$47,000. There were no debts against the policy. Lois is in the process of being named the Administrator of her Mom's estate, but the process is still ongoing. When Lois can provide the required documentation, she will be entitled to a net claim payment of \$47,000.

If Lois concludes this process before 31 July 2019, she will receive from ResLife a cheque of \$20,000.00 and she will also receive a Series B bond with a face value of \$27,000.00 ($20,000.00 + 27,000.00 = 47,000.00$).

However, if Lois is unable complete this process before 31 July 2019, the funds (\$20,000.00) will be lodged with the FSC until the claim can be approved. The payment (\$20,000.00) and the Series B bond (\$27,000.00) will be issued to Lois by the FSC when she is able to provide the documentation required.

Claims

LYNN is entitled to a payment of \$20,000 as a result of the **maturing of her life policy**. She has not received any payments to date as she did not submit all the required documentation. Lynn has heard about the voluntary liquidation of ResLife and immediately takes steps to get her outstanding information together. She submits this information to ResLife before 31 July 2019 and her payment is finally approved. **Lynn will receive a cheque for \$20,000.00.**

Surrenders

PETER surrendered his life policy during 2013. Peter was advised that the cash surrender value of his policy was \$14,444.00. Peter will be issued with a Series B bond for \$14,444.00.

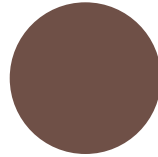
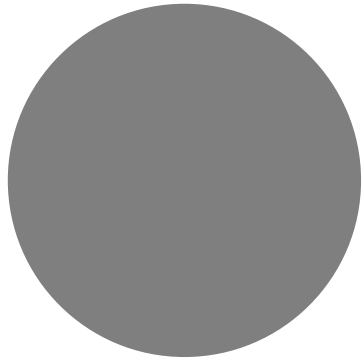
PAUL also surrendered his Flexible Premium Annuity policy. He was advised that the net fund value of his policy less surrender charges was \$55,555.55. Peter has not received any payments to date as he was advised by ResLife that he was required to wait four years before settlement of his surrender would commence. Paul will now be issued with a Series B bond for the amount owed of \$55,555.55.

Term Life Policies

THOMAS has a Term Policy with a face value of \$50,000 but the cash value of this policy is \$0 as this policy type does not generate a cash value. **Thomas will not be issued with a settlement when the policy is terminated effective 31 March 2019.**

TREVOR has a Term Policy with a face value of \$15,000 but the cash value of this policy is \$0 as this policy type does not generate a cash value. **Trevor will not be issued with a settlement when the policy is terminated effective 31 March 2019.**

CONCLUDING REMARKS



**For further information,
call our Contact Centre at:
(246) 538-8088**