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CLICO International Life Insurance Ltd (CIL) restructuring plan and completion of Forensic Audit sanctioned by the High Court of Barbados

Barbados: Friday 26 October, 2012 – Deloitte Consulting Ltd. (represented by Oliver Jordan and Patrick Toppin) the Judicial Manager of CLICO International Life Insurance Limited (CIL) has received sanction from the High Court of Barbados to pursue a restructuring plan for the company. The proposed plan will result in a write down in value of all policyholders’ liabilities (traditional policies and EFPAs) to match the estimated value of the company’s net available assets. The restructured policyholder liabilities and all the assets of CIL will be transferred to a new company which will be separately governed and managed. All such activities will be subject to regulatory approval in Barbados and the Eastern Caribbean.

The Judicial Manager reported that it had examined and explored several funding options with regional governments including most recently the possibility of issuing of a bond backed by sovereign guarantees from Barbados and Eastern Caribbean governments. However, after further consultations with regional governments and potential investors, this option was deemed not to be viable given current market conditions. It also noted that further delay in the implementation of a restructuring plan may lead to further loss of confidence by policyholders and likely reduction in premium income.

In view of these considerations the Judicial Manager believes that the proposed restructuring plan is the best option available for policyholders at this time.

The Judicial Manager will now be seeking the support of regional regulators and other Court–appointed Judicial Managers to implement the proposed restructuring plan. Further details on the implications for all policyholders will be provided as soon as possible.

In addition, the Judicial Manager will continue to explore with the Barbados and Eastern Caribbean governments, any other possible source of funding that would improve recovery by CIL’s policyholders.

The Judicial Manager also advises that the High Court of Barbados also sanctioned the completion of the Forensic Audit of CIL with a focus on related party transactions and balances. Such further investigation will assist the JM in assessing the feasibility of possible additional recovery actions for the benefit of policyholders of CIL.

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