

NEWS RELEASE

FOR IMMEDIATE RELEASE

**ECCU GOVERNMENTS UPDATE:
BRITISH-AMERICAN INSURANCE COMPANY (*BAICO*)
AND
CLICO INTERNATIONAL LIFE INSURANCE COMPANY (*CIL*)**

On October 21, 2011, the ECCU Governments through the communiqué of the Monetary Council provided an update on the implementation of the BAICO restructuring strategy.

This release provides the first update for 2012 on progress in respect of BAICO and CIL matters.

1. BRITISH-AMERICAN INSURANCE COMPANY

Progress of the sale of BAICO's Traditional Insurance Business

We expect that the process for the sale of the traditional insurance business of BAICO in the ECCU will be completed well before the end of this year.

A number of bidders are currently participating in the sale process, and we anticipate that a bidder will be selected and formal documentation entered into around the end of the first quarter of 2012.

Once final documentation is agreed with the purchaser, the process of obtaining approvals of the transfers throughout the ECCU and in The Bahamas will commence. This is the final phase of the process of selling BAICO's traditional business.

Assisting BAICO's non-traditional policyholders

The ECCU Governments have continued work necessary to identify how it will be possible to provide assistance to BAICO's policyholders in the ECCU who have non-traditional policies, such as Executive Flexible Premium Annuities (EFPA), and who will thus not have their policies participate in the sale of BAICO's traditional business. These policyholders include individuals, as well as important institutions within the ECCU, such as banks and credit unions.

Funding is still being sought from the Government of Trinidad and Tobago in order to provide financial support to these policyholders.

Litigation by BAICO

Litigation is continuing in Trinidad and Tobago by BAICO against CL Financial for the recovery of a US\$49.5 million debt owed by CL Financial to BAICO.

Importantly, BAICO has also commenced litigation in the United States by filing a complaint against BAICO's former directors for alleged breach of their fiduciary duties by entering into a series of speculative real estate investments in the United States which caused harm to BAICO including rendering it insolvent. The complaint also includes claims against other parties connected with the real estate transaction. Some of the former directors being sued include Lawrence Duprey and Brian Brancker.

ECCU/BAICO Health Insurance Support Fund (“Fund”)

As planned, the Fund, established by the ECCU Governments to meet BAICO’s obligations to claimants under Health Insurance policies, closed for applications on December 31, 2011 after over seven months of operation.

The Fund has received over 1,300 Applications for assistance, and is ultimately expected to pay out in excess of EC\$3 million to health insurance policyholders.

2. CLICO INTERNATIONAL LIFE INSURANCE COMPANY (CIL)

On April 14, 2011, Deloitte Consulting Ltd. (“Deloitte”) was appointed as Judicial Manager of CIL’s head office operations in Barbados. Deloitte has also been appointed as Judicial Manager of CIL’s branches in Grenada, St. Vincent, Dominica, Antigua and Anguilla. Richard Surage of PKF was appointed as Judicial Manager of CIL’s St. Lucia branch and Omax Gardner also of PKF was appointed as Judicial Manager of CIL’s St. Kitts & Nevis branch.

By press release dated January 27, 2012, the Judicial Manager of CLICO International Life Insurance Limited reported that the first stage of the investor identification process for the Company is now well underway.

The release said that the objective of this process is to identify an investor with depth of management and the financial capacity necessary to provide greater confidence to policyholders and regulators as it relates to the viability of any new entity which may emerge from the existing operations of CIL.

During this first stage, several expressions of interest in CIL were received from local, regional and international investors and it is expected that other expressions would be forthcoming. The Judicial Manager will seek to conclude negotiations with one of the interested parties within the next five to six months, subject to necessary Court and regulatory approvals.

A recommended course of action based on the results of the concluded forensic audit, will be made by the Judicial Manager during its next update to the High Court of Barbados in February 2012.

IN CONCLUSION

The ECCU Governments continue to work steadfastly to identify solutions for individuals and institutions affected by the BAICO and CLICO situation. We wish to reiterate our appreciation to the citizens of the region for their patience as this work progresses.

We will continue to provide updates as developments occur.

The Governments of the Eastern Caribbean Currency Union

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