



FOR IMMEDIATE RELEASE

St Kitts - June 29, 2012: The Judicial Managers of British-American Insurance (BAICO) together with the Governments of the Eastern Caribbean announce the agreement to recapitalise and sell part of the BAICO business to Sagicor Life Inc

The Judicial Managers of BAICO together with the Governments of the Eastern Caribbean Currency Union (ECCU) are pleased to announce that an agreement has been signed to sell the traditional life insurance business of BAICO to Sagicor Life, Inc. (Sagicor), a wholly-owned subsidiary of Sagicor Financial Corporation. The ECCU Governments have undertaken to provide funding of up to US\$38 million to assist in restoring value to the transferring policies.

The sale was agreed after formal sale process, which resulted in strong interest from 7 parties with 4 final bids being considered.

Policies included in the sale

The business being sold is made up of Group Pensions and the following traditional life policies issued by BAICO in Anguilla, Antigua, Dominica, Grenada, Montserrat, St Lucia, St Kitts & Nevis, and St Vincent & the Grenadines:

- Universal Life policies
- Term Life
- Whole Life
- Endowment
- Home Service Life

Approximately 17,500 policyholders are expected to benefit from the sale, restoring the policy values for nearly 2 in every 3 BAICO policyholders.

It should be noted that under the terms of the sale, all valid and in- force life policies as at the Scheme Effective Transfer Date will be transferred to Sagicor without any amendment or change to the respective policy, allowing policyholders to benefit from the terms they historically agreed with BAICO.

Petra Charles-Joseph

Corporate Communications Officer
Ministry of Finance, Planning, Economy, Energy & Cooperatives
The Carenage, St. George's
Grenada
Tel: (473) 435-0057; 440-2731/4 ext 1108
Fax: (473) 440-4115
[Email:financegrenada@gmail.com](mailto:financegrenada@gmail.com)

Completion of the sale

The life insurance business will be transferred to Sagicor once all necessary approvals for the scheme of transfer from the relevant Courts and insurance regulators in The Bahamas (where BAICO is incorporated) and throughout the ECCU countries are received. It is expected that the approvals for all countries will take a further 3-6 months, at which point the transfer of the business can be finalised. The Governments will work with Sagicor and BAICO to finalise this as soon as possible.

It is intended that the entire business described above will be transferred at the same time. However, as a precaution, if any approvals are delayed or not received within the next four months, the parties can agree to transfer the business in stages.

Sagicor and its commitments to the ECCU region

Sagicor is a highly respected insurance provider operating across 19 countries in the Caribbean as well as in the UK and US. Its parent Sagicor Financial Corporation is a listed entity in Barbados, Trinidad & Tobago and the UK. Sagicor has a financial strength rating of A- (Excellent) from A.M.Best. Group revenue reached US\$1.4 billion for the financial year 2011 and Shareholders' Equity and Assets stood at US\$578 million and US \$5,4 billion at December 31, 2011.

Sagicor Life Inc. is already a regulated entity in all of the ECCU countries involved in the transaction. Sagicor has demonstrated its commitment to the ECCU region by:

- Agreeing to set up an ECCU Consultative Committee, to play an oversight role (including compliance, anti-money laundering, capital adequacy and corporate governance) in relation to the performance of the Business;
- Placing its ECCU business into a separate ECCU-based entity within 12 months of completion of the transaction; and
- Committing to listing at least 25% of the shares of the ECCU Entity on the Eastern Caribbean Securities Exchange within two years of its commencement of operations.

What should policyholders do?

Policyholders whose policies are proposed to be transferred need not take any action at this point. However, prior to the completion of the sale, policyholders are encouraged to continue to pay, and if necessary bring up to date their life policy premiums, to representatives at existing BAICO branches within the ECCU in order to maintain their policies.

Petra Charles-Joseph

Corporate Communications Officer
Ministry of Finance, Planning, Economy, Energy & Cooperatives
The Carenage, St. George's
Grenada
Tel: (473) 435-0057; 440-2731/4 ext 1108
Fax: (473) 440-4115
[Email:financegrenada@gmail.com](mailto:financegrenada@gmail.com)

Policyholders will be provided with further information (either directly or by local advertising) about the proposed transfer of the business in the coming months as Sagicor and the Judicial Managers of BAICO seek the necessary Court and regulatory approvals.

Once the transfer is completed, Sagicor will contact affected policyholders to inform them of the change in ownership of this business. On completion, Sagicor will assume BAICO's place as the legal issuer of the transferring policies, and policyholders will be able to once again operate their policies in accordance with the contract terms.

Payment of outstanding Claims, Maturities, Surrenders and Bonuses

The obligation to pay certain unpaid amounts to policyholders under these policies (being claims, maturities, surrenders and bonuses) will transfer to Sagicor with the business, and the ECCU Governments have arranged funding for the payment of these in accordance with the terms of the policies. The payment of claims will be subject to the claimant meeting the requirements of the policy terms, and signing an appropriate release.

What about policies that have lapsed?

The ECCU Governments are mindful that, during the past three years, due to the uncertainty about BAICO's future, many policyholders may have stopped paying their premiums. In many cases, this will have resulted in them allowing their policies to lapse.

The Governments, Sagicor and the Judicial Managers of BAICO are currently considering whether it will be possible to offer to reinstate policies that have lapsed in this period and further information regarding this issue will be communicated to affected policyholders prior to the completion of the transfer.

Policyholder Queries

Many policyholders may not be aware if their policy is current (for example, they may have ceased paying premiums some time ago, but the automatic loan feature of their policy may have been triggered, meaning essentially that the accumulated value of their policy was used to pay their premiums).

If policyholders have queries, they can contact their local BAICO branch to find out the status of their policy .

In conclusion, the sale represents an excellent outcome for traditional life policyholders, and reflects the ECCU Governments' and Judicial Managers' continued efforts to work to identify solutions for individuals and institutions affected by the BAICO collapse.

Petra Charles-Joseph

Corporate Communications Officer
Ministry of Finance, Planning, Economy, Energy & Cooperatives
The Carenage, St. George's
Grenada
Tel: (473) 435-0057; 440-2731/4 ext 1108
Fax: (473) 440-4115
[Email:financegrenada@gmail.com](mailto:financegrenada@gmail.com)

Although the sale is structured specifically to transfer the ECCU traditional life policyholders to Sagicor, the sale is also beneficial to all other policyholders and creditors of BAICO who are not covered by the terms of the sale by reducing the remaining liabilities of BAICO. The Judicial Managers and the ECCU Governments continue to work on solutions to recover assets of BAICO as well as to pursue those responsible for the collapse.

The Judicial Managers and the ECCU Governments wish to reiterate their appreciation to all those affected by the BAICO situation in the region for their patience as this work progresses.

Issued by the Judicial Managers of BAICO and the Governments of the Eastern Caribbean Currency Union

June 29, 2012

Petra Charles-Joseph
Corporate Communications Officer
Ministry of Finance, Planning, Economy, Energy & Cooperatives
The Carenage, St. George's
Grenada
Tel: (473) 435-0057; 440-2731/4 ext 1108
Fax: (473) 440-4115
[Email:financegrenada@gmail.com](mailto:financegrenada@gmail.com)