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Dear Sirs/Madam

Cllico International Life Insurance Limited ("CLICO") – Montserrat Branch (in Judicial Management) ("the Branch")

This letter provides the Montserrat Policyholders with an update on the current position of their Montserrat Branch of CLICO further to the Judicial Manager's hearing before the High Court of Montserrat.

By way of background, I was appointed as the Judicial Manager to the Branch (the "Montserrat JM") by an order of the High Court of Justice Montserrat (the "Montserrat Court") dated 20 May 2014.

Upon my appointment, and given that the Branch's operations are supported by CLICO's head office, I contacted the Barbados Judicial Manager of CLICO (the "CLICO JM") to request that they provide me with all information held by them in respect of the Branch's operations.

Rather frustratingly, there have been significant challenges in obtaining that information from the CLICO JM.

Current Financial Position of the Branch

From the information provided to me upon appointment I concluded that the Branch was insolvent, and not able to pay its policyholders in full from the assets it directly holds.

Based upon the latest information provided to me by the CLICO JM the Branch continues to be insolvent. Whilst I remain hopeful that some additional funds will ultimately be made available (for more details please see below), it is unlikely that the Montserrat Policyholders will be paid in full.

Given all of the above uncertainty, in order to ensure that all Montserrat Policyholders are treated in the same way, it has been necessary for me to prevent payment being made in respect of any claims made directly to the Branch.



Payments made in Barbados

I am aware from my Barbados Counsel, the ECCU Core Committee and various news articles that the CLICO JM had commenced making payments to Barbados Policyholders of CLICO in March and April 2018 in accordance with the Barbados Restructuring Plan (the "Plan").

The Plan, which was approved by the Barbados Courts in December 2015, was initially limited to dealing with CLICO's policyholders in Barbados. Once the Barbados policyholders had been dealt with the Plan set out a second stage to deal with other ECCU policyholders (which would include those in Montserrat). I have not been provided with any further details in respect of that second stage but understand that the final terms are yet to be agreed.

More recently it has been reported that the payment of Barbados Policyholder instalments has ceased pending the outcome of ongoing discussions with the Barbados Government.

I stress that I have not been provided with any official updates by the CLICO JM and can only set out the position as I understand it in Barbados based upon third party sources.

It is clear and understandable that the position of the Montserrat Policyholders is one of frustration in respect of the continued delays and the preferential treatment of policyholders in other jurisdictions. This is, of course, a position I am sympathetic to and have sought to address subsequent to my appointment, including by applying to the Barbados Court for access to information held by the CLICO JM. Obtaining this information is something which I believe is critical to protecting the interests of the Montserrat policyholders.

I have also appeared before the Montserrat Court to provide updates as to the ongoing Judicial Management of the Branch, in addition to corresponding with both the Montserrat Financial Services Commission ("FSC") and Government to address those issues facing the Montserrat Policyholders.

Segregated Premiums

I have, since my appointment, segregated any new premiums paid by Montserrat Policyholders to the Montserrat Branch within an account maintained with the Bank of Montserrat for the benefit of those policyholders.

However, due to the lack of information provided by the CLICO JM, it is still unclear whether any Montserrat Policyholders have continued to pay their premiums directly to CLICO in Barbados since the date of my appointment.

Accordingly, I request that any Montserrat Policyholders who have made payments directly to CLICO Barbados (as opposed to via the Montserrat Branch) provide me with further information in respect of those payments. Contact details are provided at the end of this letter.

Discussions with the Montserrat FSC and Government

I have been working with both the Montserrat FSC and Government to address those issues faced by the Montserrat Policyholders with the aim of securing additional funds.



Until such time as those discussions have been concluded and the preferred direction agreed, I am unable to provide further information in respect of if, or when, payments could be made to Montserrat Policyholders.

Next Steps

I will continue to segregate premiums paid by Montserrat Policyholders for the benefit of those policyholders. However, due to the uncertainty as to the value of assets and liabilities attributable to the Montserrat Policyholders and the lack of available assets, I am unable, at this time, to make payments in respect of any policies.

I will continue discussions with both the Montserrat FSC and Government to further explore any solutions as to funding which they may be able to provide. I will also continue to push the CLICO JM for information to enable me to assess, monitor and possibly take an active role in the Barbados Plan. With the continued support of the ECCU Core Committee I will also explore options for working with the Barbados Courts to seek to ensure I can obtain the details I require from the CLICO JM.

Should one or more of these steps be successful, then I would hope to be able to make payments to Montserrat Policyholders in the fullness of time. However, it is with regret that I cannot provide any assurances that any of the steps will be successful. Further, I cannot provide any estimates of the timeframes involved. I will however, provide a further update to Montserrat Policyholders on or before 31 December 2019.

In the interim, if you have any questions with regards to this letter, or would like to discuss its contents further, please do not hesitate to contact my colleague Christopher Farmer or me via email at christopherfarmer@kpmg.vg or russellcrumpler@kpmg.vg or alternatively via telephone on +1 284 852 4821 or +1 284 852 4814 respectively.

Yours faithfully

A handwritten signature in blue ink, consisting of a stylized 'R' followed by a series of loops and a long horizontal stroke.

Russell Crumpler
Judicial Manager