

**COLORADO BANKERS LIFE INSURANCE COMPANY (“Colorado Bankers Life” or the  
“Company”)**

**ORDER OF LIQUIDATION FREQUENTLY ASKED QUESTIONS**

**April 24, 2024**

**Q. What is the status of Colorado Bankers Life?**

The Company remains in rehabilitation at this time. However, On December 30, 2022, the judge signed an Order of Liquidation that will place the Company into liquidation when the Order becomes effective.

**Q. When will the Colorado Bankers Life liquidation order be effective?**

The Order of Liquidation will become effective as of the first month-end occurring on or subsequent to ninety (90) days after the later of: (1) the entry of the Order; (2) a decision of the North Carolina Court of Appeals affirming the Order, if further review of that decision is not sought; (3) an order by the North Carolina Supreme Court denying discretionary review of the case; or (4) a decision of the North Carolina Supreme Court affirming the Order. Greg Lindberg’s company, GBIG Holdings, LLC, filed a Notice of Appeal of the Order of Liquidation on January 27, 2023. The appellate court issued its decision on March 5, 2024, unanimously affirming the Order of Liquidation. This decision by the North Carolina Court of Appeals was another critical step in getting the policyholders repaid.

Mr. Lindberg’s company, GBIG Holdings, LLC, has acted to further delay the Order of Liquidation. It filed a petition on April 9, 2024, asking the North Carolina Supreme Court to accept an appeal of the Court of Appeals’ unanimous decision affirming the Order of Liquidation. This petition delays the triggering of state life and health insurance guaranty associations and delays payments to policyholders. The North Carolina Supreme Court will decide whether or not to accept Mr. Lindberg’s appeal. The effective date of the Order of Liquidation now depends on the timing of the Supreme Court’s ultimate decision in the matter. The Commissioner of Insurance and the Special Deputy Rehabilitators of the insurance companies themselves will urge the Supreme Court to decline to take this appeal, so that policyholders can be paid sooner.

**Q. What happens once the Order of Liquidation becomes effective?**

Once the Order of Liquidation becomes effective, Colorado Bankers Life’s policy obligations will be covered by various state life and health insurance guaranty associations subject to applicable statutory limits and requirements. More information about the state life and health insurance guaranty associations will be posted on the Colorado Bankers Life website, or you can go to the NOLHGA website: [www.nolhga.com](http://www.nolhga.com)

**Q. How does liquidation benefit policyholders?**

Liquidation will allow state life and health insurance guaranty associations to provide continuing coverage to policyholders up to their statutory limits. It is the best method to provide policyholders access to funds as soon as possible.

Q. What does liquidation mean for policies in excess of state life and health insurance guaranty association limits?

Policies in excess of state life and health insurance guaranty association coverage limits would give rise to a pro-rata claim against the Colorado Bankers Life liquidation estate for the uncovered amount (the “excess policyholders”).

Colorado Bankers Life will continue pursuing Mr. Lindberg and his companies by all legal means in order to pay all of the funds they owe so that the Company can pay back all claimants, including excess policyholders. Mr. Lindberg and his companies could choose to pay back Colorado Bankers Life at any time, making those funds available for all policyholders.

Q. What happens if a third party seeks to acquire the Company?

Before any sale of a North Carolina domestic insurance company can occur, the proposed purchaser is required to submit the proposal to the North Carolina Department of Insurance for review and approval or disapproval. If the North Carolina Department of Insurance receives a proposal compliant with N.C. Gen. Stat. §58-19-15 regarding acquisition of an insurer, it will be reviewed to determine if it meets the requirements of North Carolina law and is in the best interests of policyholders.

Q. Can I withdraw my funds now?

Until the Order of Liquidation becomes effective, the rehabilitation moratorium on withdrawals remains in place, subject to the existing hardship provisions. RMDs, interest-only payments and partial withdrawals are exceptions to the moratorium.

Once the Order of Liquidation becomes effective, it is not anticipated that the moratorium would apply to state life and health insurance guaranty association coverage. It will apply in liquidation for payments in excess of state life and health insurance guaranty association limits. Payments to excess policyholders would be made on a pro-rata basis subject to the availability of estate funds, statutory requirements, and Court approval.

Until the Order of Liquidation becomes effective, the Rehabilitator will continue to accept hardship applications and process them in accordance with the hardship policy.

Q. When will I receive my money?

Once the Order of Liquidation becomes effective, state life and health insurance guaranty associations would provide coverage subject to the terms of applicable statutes and the insurance policies and contracts, which benefits could include loans, surrenders, and death benefits, depending on the circumstances. This process could be greatly expedited if Mr. Lindberg does not continue to appeal Colorado Bankers Life being placed into liquidation.

Payments of amounts in excess of state life and health insurance guaranty association limits will be paid if and when sufficient funds are recovered by the Company to make pro-rata distributions.

Until the Liquidation Order becomes effective, the Rehabilitator will continue paying qualifying hardship payments in addition to other exceptions to the moratorium.

Q. How do I know how much my state life and health insurance guaranty association will pay on my policy?

Like the FDIC for deposit insurance, state life and health insurance guaranty associations have maximum benefit levels for different types of insurance policies. State law sets these amounts. Many state life and health insurance guaranty associations provide coverage up to \$300,000 in protection for life insurance death benefits, \$100,000 for life insurance policy net cash values, and \$250,000 in the present value of annuity benefits, though some state life and health insurance guaranty associations are authorized to provide different levels of protection. You should check your state life and health insurance guaranty association's website to see how much is covered for your type of policy. You can find your state guaranty association here: <https://www.nolhga.com/policyholderinfo/main.cfm>

Q. What else is the Rehabilitator doing to get policyholders their funds as soon as possible?

The Rehabilitator filed a separate petition with the Court seeking approval to pay contractual interest-only payments on policies as of November 1, 2022, and going forward, as an exception to the moratorium until the Order of Liquidation becomes effective. There will be no retroactive interest accumulated prior to November 1, 2022, paid at this time. The Court granted the petition on February 6, 2023. Policyholders have the option to activate interest-only payments if allowed under their contracts. There will be no payments of retroactive interest accumulated prior to November 1, 2022 at this time. This does not mean the moratorium has been lifted or that rehabilitation is over.

The Rehabilitator filed on April 28, 2023, a motion in the Rehabilitation Court to modify the Court-ordered Moratorium to allow the Rehabilitator to offer a one-time partial withdrawal in the amount of 25%, less any applicable tax withholding, fees and surrender charges, to annuity holders of CBL. The Court held a hearing on the motion on June 19, 2023, and granted the motion. The CBL partial withdrawal letters have been mailed to eligible policyholders. The letters notified eligible policyholders of the partial withdrawal, how much they would receive, and any options they may have. The balance stated in your partial withdrawal letter was the account balance as of May 31, 2023. Please be aware that your current account balance may be different. Your partial withdrawal payment amount will be based on the account balance as of the day the distribution is processed, less applicable surrender charges, and fees, and tax withholdings. If you have a CBL annuity and never received a letter in 2023 informing you about the availability of the partial withdrawal, please contact AMR at [CBL@actmanre.com](mailto:CBL@actmanre.com) or (833) 658-2841 immediately to update your address. The Rehabilitator filed a motion seeking approval for a similar Bankers Life Insurance Company (BLIC) withdrawal on July 6, 2023, and the Rehabilitation Court granted that motion.

The Rehabilitator filed on May 3, 2023, a motion in the Rehabilitation Court to modify the Court-ordered Moratorium to allow the Rehabilitator to cash out certain CBL small annuities, at a value of \$1334.00 and under that amount. The Rehabilitator had determined that the small annuities are operating at a loss due to the high amount of non-performing affiliated assets and the cost to administer the policies. It is therefore in the interest of all policyholders that the small annuities be cashed out. The Court held a

hearing on the motion on June 19, 2023, and granted the motion. Letters were mailed to eligible policyholders notifying them of the cash out, how much they would receive, and any elections they may have. If you have an annuity valued at \$1334.00 or less as of May 31, 2023, and never received a letter in 2023 informing you about the availability of the cash out, please contact AMR at [CBL@actmanre.com](mailto:CBL@actmanre.com) or (833) 658-2841 immediately to update your address. BLIC small annuities were also covered in the same motion, and the motion was granted as to BLIC as well.

Q. How do the lawsuits against Greg Lindberg and his companies affect me and my ability to get paid by a state life and health insurance guaranty association?

The lawsuits would not affect state life and health insurance guaranty associations. However, any further appeal of the Order of Liquidation could delay coverage from the state life and health insurance guaranty associations.

Q. Should I continue to pay my policy premiums?

Yes, it is very important that policyholders continue to pay their life and health premiums. Failure to pay policy premiums due under your policy, in full and on time, may cause your policy to terminate, and you will lose your benefits, including state life and health insurance guaranty association coverage. The Company is not accepting annuity premiums.

Q. Are claims currently being paid?

Yes, life insurance death benefits and health claims are currently being processed as they are received. Policyholders are encouraged to go to the Colorado Bankers Life website to review updated information on all these developments at: [www.cbllife.com](http://www.cbllife.com)