

## **Colorado Bankers Life Insurance Company (“CBL”) 2023 Partial Withdrawal FAQs**

### **What is this partial withdrawal program?**

- The Rehabilitator has determined, in working with its accountants and advisers, that CBL now has sufficient liquidity to provide a 25% partial withdrawal of annuity funds, less applicable tax withholding, fees and surrender charges, as an exception to the moratorium.

### **Who is Kroll and how did they get involved?**

- The Rehabilitator has hired Kroll to assist with distribution of partial withdrawal payments. Kroll is a third-party administrator with experience in processing large volumes of payments.

### **Where is my Unique ID for [www.NCRehabWithdrawal.com](http://www.NCRehabWithdrawal.com)?**

- Your Unique ID is on your partial withdrawal letter, towards the bottom in bold. If you have not received a letter yet, you will need to wait for the letter in order to receive your Unique ID.

### **Why will I only receive 25% of the value of my annuity/When will I receive the remainder of my annuity?**

- This was the maximum amount approved by the Court based on the current liquidity and currently available funds of CBL.
- On December 30, 2022, the judge signed an Order of Liquidation that will place CBL into liquidation when the Order becomes effective. Greg Lindberg’s company, GBIG Holdings, LLC, filed a Notice of Appeal of the Order of Liquidation on January 27, 2023. The appeal delays triggering the state life and health insurance guaranty associations and delays payments to policyholders. Until the Order of Liquidation becomes effective, CBL remains in rehabilitation.
- 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 drops his appeal of CBL being placed into liquidation.
- This partial withdrawal is not a final distribution of your annuity contract. The remainder of your annuity contract is still subject to the moratorium on surrenders, loans, withdrawals, and transfers.
- Until the Order of Liquidation becomes effective, the Rehabilitator will continue paying qualified hardship payments in addition to other exceptions to the moratorium.

### **Does this mean the moratorium has been lifted (removed)?**

- No, the partial withdrawal was granted by the Court as an exception to the moratorium, after petition by the Rehabilitator. It does not mean that the moratorium has been lifted.

### **What if I missed the October 31 election deadline to make elections or to submit an exchange or transfer form?**

- If you took no action by October 31 in response to your partial withdrawal letter, you will still receive your partial withdrawal distribution. You may receive a letter seeking clarification of your election preferences.
- If you did not submit an exchange or transfer form to us, have not received your partial withdrawal distribution, and still wish to exchange or transfer, please contact Kroll as soon as possible for an extension by calling (888) 507-0441. Any submissions for exchange or transfer received after October 31 may not have been processed in 2023; but if it was not processed in 2023, it will be processed in 2024.

- If you submitted an exchange or transfer form by October 31 that has not been processed yet, it will be processed in approximately the next six weeks, due to the volume of submissions.
- If you were requested to provide additional documentation for an exchange or transfer, the submission will still be processed after the additional documentation has been received by CBL, even if the additional documentation is received after October 31.
- If we have learned that you did not have an updated address on file with CBL, we will attempt to contact you at a newer address if we can determine one. 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.
- There will be default withholding of 10% from your distribution payment for Federal income taxes. Applicable default withholding may be higher for Individual Retirement Accounts (IRAs) under certain circumstances. If you wanted to change the withholding for Federal income taxes, that election was due by October 31, 2023, except as set out above. The election portal is at [www.NCRehabWithdrawal.com](http://www.NCRehabWithdrawal.com).
- If you wanted to have the funds disbursed to you through ACH instead of check, that election was due by October 31, 2023, except as set out above. The election portal is at [www.NCRehabWithdrawal.com](http://www.NCRehabWithdrawal.com).
- Some policyholders were able to ask for a waiver of surrender charge, or opt out of the partial withdrawal due to surrender charges. That was explained in the letters those policyholders received and is based on their particular contractual annuity terms. All such elections were due by October 31, 2023, except as set out above. The election portal is at [www.NCRehabWithdrawal.com](http://www.NCRehabWithdrawal.com).
- Consult with your tax and financial advisors before making any decision.

#### **How long after I submit my election before I receive my funds?**

- For online election submissions, your distribution payment should be processed within about three (3) weeks of your submission. For manual election submissions, your distribution payment should be processed within about eight (8) weeks of your submission.

#### **Can I take a withdrawal from my life insurance policy?**

- No, this partial withdrawal program is only for annuities and does not apply to cash value in your life insurance policy. If you have any annuity as a life insurance policy rider, your letter reflects the balance of your annuity only.

#### **How does this partial withdrawal impact my other policies at Colorado Bankers Life Insurance Company?**

- This partial withdrawal program does not impact other insurance policies held at Colorado Bankers Life Insurance Company. You must continue paying your premium on your other policies, as you are billed, to have your life or health insurance continue. Annuity contributions are not being accepted.

#### **How does this partial withdrawal affect the interest-only payments I receive?**

- If your account value as of May 31, 2023, is \$14,000 or greater, you will still qualify for the interest-only payments. After the 25% partial withdrawal, your interest-only payments will be calculated based on the new, lower account value. Therefore, your interest-only payments will be less than they were previously, and possibly occur less frequently. Your interest-only payments will be distributed when accumulated interest is \$100 or greater.
- If your account value as of May 31, 2023, is less than \$14,000, you will most likely not qualify for interest-only payments after the partial withdrawal.

#### **Why did I not receive an expected payment?**

- For online election submissions, your distribution payment should be processed within about three (3) weeks of your submission. For manual election submissions, your distribution payment should be processed within about

eight (8) weeks of your submission.

- After the 25% partial withdrawal, your interest-only payments will be calculated based on the new, lower account value. Therefore, your interest-only payments will be less than they were previously, and possibly occur less frequently. Your interest-only payment will be distributed when accumulated interest is \$100 or greater. See previous FAQ about the effect of the partial withdrawal on interest-only payments.

**How does this partial withdrawal impact required minimum distributions (RMDs) currently being received by the policyholder?**

- If you have a qualified annuity and are currently receiving RMDs, or will take a RMD this year, the partial withdrawal will not prevent you from taking an RMD. Please consult your tax and financial advisors before making any decision.

**Will this partial withdrawal pay interest first or principal first?**

- If you have a non-qualified annuity, the withdrawal will be taken from the interest accumulated first, and any remaining withdrawal would be taken from the principal after that. Please consult your tax and financial advisors before making any decision and with any questions about your cost basis or taxable interest.

**What if I need more funds than are currently available through this partial withdrawal program?/How can I pursue an exception to the moratorium?**

- Exceptions to the moratorium are for categories of claims or withdrawals. Individual policyholders cannot apply for an individual exception. However, they can apply for a hardship payment as noted below.
- A hardship program is in place to request funds for an immediate economic need. The hardship application and instructions are available on Colorado Bankers Life Insurance Company website at <https://cblife.com>.
- Policyholders can also take advantage of established exceptions to the moratorium such as IRA Required Minimum Distributions or Interest-Only payments. See CBL FAQs at [https://cblife.com/forms/CBL\\_BLIC\\_FAQs\\_2\\_13\\_23.pdf](https://cblife.com/forms/CBL_BLIC_FAQs_2_13_23.pdf) for the established exceptions.

**Are taxes withheld from the distribution of my withdrawal?**

- Unless you elected otherwise, Federal income taxes may be withheld on your withdrawal at a rate of 10% along with any required state tax withholding. Applicable default withholding may be higher for Individual Retirement Accounts (IRAs) under certain circumstances. Consult with your tax and financial advisors before making any decision.

**What surrender charges and/or withdrawal fees will apply?**

- Surrender charges and withdrawal fees will apply as outlined in your letter.

**My balance is different from what is stated in the letter. Does that mean the amount I am eligible for is different?**

- The balance stated in your letter was the account balance as of May 31, 2023. We are aware that your balance may be different today. Your distribution payment amount will be based on the balance as of the day the distribution is processed, less applicable surrender charges and fees and applicable tax withholdings.

**How do I amend my submission that I completed online?**

- Once an online election has been submitted, it cannot be amended. Please consult your tax and financial advisors before making any decision.

**I do not have internet access/do not wish to submit withdrawal elections online**

- If you do not have internet access, and can still submit an election or form as set out above, please call Kroll at (888) 507-0441 to request a manual election form. You can transmit the form via secure facsimile; however, CBL shall not be responsible for any unintended disclosure or breach of such facsimile transmission. If you choose to send it by

secure fax and accept responsibility for any unintended disclosure or breach of such facsimile transmission, the fax number is: (888) 706-5062.

- **Do not** send the form by unsecured email.
- CBL is not responsible for undelivered mail. To protect your personal information, CBL recommends certified or priority U.S. mail. The form can be mailed to:

Colorado Bankers Life Insurance Company  
P.O. 11609  
Winston-Salem, NC, 27116

### **What is a Community Property state and how does that affect my withdrawal?**

- In a Community Property state, community property is all property acquired during marriage that is not established to be separate property. Community property is the default characterization of all marital assets. Community property typically includes salary, wages and other compensation for work performed during marriage, the fruits resulting from the labor and skills of each spouse, income derived from community property assets, and separate property that has been changed ("transmuted") into community property. The following states recognize community property: Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington, and Wisconsin.

If you live in a community property state, you must complete a Community Property Attestation form, included with your letter. The Community Property Attestation form is also available at [www.NCRehabWithdrawal.com](http://www.NCRehabWithdrawal.com).