



BRITISH AMERICAN INSURANCE COMPANY (BARBADOS) LIMITED

IMPORTANT NOTICE POLICYHOLDER INFORMATION UPDATE

The Judicial Manager ("JM") wishes to advise that the solution for the life and annuity business of British American Insurance Company (Barbados) Limited ("BAICO") will now continue with a scheduled Transfer Completion Date of February 28, 2018.

The payment of claims by the JM and the transfer of policies to Sagicor Life Inc. ("Sagicor") will continue on the same terms and conditions outlined in the JM's initial correspondence to policyholders in January and February 2017.

The revised Transfer Completion Date follows the resolution of concerns about the adequacy of Government of Barbados ("GOB") funding following a number of downgrades of GOB debt by international rating agencies.

The JM, Sagicor and the GOB have since agreed a suitable course and on December 20, 2017 the High Court of Barbados approved the continuation of the transfer.

Universal Life Policies

Universal Life Policies constitute a significant percentage of the portfolio to be transferred to Sagicor. It is a known feature of this policy type that the value of the policy fund is likely to decline if it is required to satisfy the increasing cost of insurance associated with the insured's advancing age. Given the unanticipated extension of the period of judicial management, some impact on universal life policy funds can be anticipated. It is important that policyholders be aware of this, as policies eligible for transfer based on their prior good standing may subsequently have lapsed. On completion of the transfer, Sagicor will be notifying all transferring policyholders of the status of their policies and will be giving the holders of policies that are at risk of forfeiture an opportunity to remedy the default. The Judicial Manager will send correspondence to all policyholders within the coming weeks.

The Judicial Manager will send correspondence to all policyholders within the coming weeks. Policyholders are advised to contact BAICO at telephone number (246) 431-4400 or by e-mail at baico@kpmg.bb if they require further information or to provide updated contact information.