

**COLORADO BANKERS LIFE INSURANCE COMPANY
BANKERS LIFE INSURANCE COMPANY
SOUTHLAND NATIONAL INSURANCE CORPORATION
FREQUENTLY ASKED QUESTIONS
Updated August 26, 2019**

1) What happened to my insurance company?

Colorado Bankers Life Insurance Company, Bankers Life Insurance Company, Southland National Insurance Corporation, and Southland National Reinsurance Corporation, (collectively the “Companies”) consented to an Order of Rehabilitation entered on June 27, 2019, by the Superior Court of Wake County, North Carolina (“Court”) pursuant to a petition filed by the Commissioner of Insurance of the State of North Carolina, Mike Causey (“Commissioner”). The Commissioner took action after determining that the long-term liquidity of the investment portfolios of the Companies had deteriorated to the point that the North Carolina Department of Insurance (“Department”) needed to act to protect the policyholders of the Companies.

The Court appointed the Commissioner as Rehabilitator of the Companies (“Rehabilitator”). The Rehabilitator has appointed Noble Consulting Services, Inc. (“Noble”), to serve as Special Deputy Rehabilitator to oversee the rehabilitation process. Mike Dinius and John Murphy of Noble will act for the Rehabilitator in the rehabilitation proceeding, under the title of Special Deputy Rehabilitators.

- Please refer to the Colorado Bankers Life website www.cbllife.com to review important information from the Department, including the Order of Rehabilitation.
- Please refer to the Bankers Life website www.bankerslifeinsurance.com to review important information from the Department, including the Order of Rehabilitation.
- Please refer to the Southland National Insurance Corporation website www.southlandnational.com to review important information from the Department, including the Order of Rehabilitation.

2) What is the current financial condition of my insurance company?

The Order, and management’s Consent to the Rehabilitation, was a joint proactive measure to preserve assets of the Companies for the protection of the policyholders. This was done to protect the overall account values of the Companies’ annuity holders and the interests of all the policyholders. Due to the issues with the Companies’ investments, it was necessary to place the Companies under Court protection, so that the investment issues can be addressed in an orderly fashion by the Rehabilitator under Court supervision. Your insurance company is not in liquidation.

3) What is the purpose of a rehabilitation order?

Rehabilitation is a Court approved safeguard used in conjunction with the regulatory oversight of the North Carolina Department of Insurance in an effort to extend protections to policyholders that are not available to Companies in the normal course of business. Rehabilitation is a statutory process used in an effort to revitalize insurance companies, in the best interest and protection of the Companies and their policyholders. The Order was consensual; meaning that it was approved by the Board of Directors of the Companies. As a result of the Order, legal actions against the Companies are stayed, administrative and service contracts can be amended to save costs, investments will be administered under the oversight of the Rehabilitator, and it will allow the Special Deputy Rehabilitator to oversee operations on site with the Companies. This is all

being done with the best interest of the policyholders in mind, in an attempt to safeguard policy obligations for the long-term, and to continue services in a cost-effective manner.

4) Who is running the company?

North Carolina Insurance Commissioner Mike Causey, as Court appointed Rehabilitator of the Companies, has replaced the management of the Companies. The Rehabilitator has hired Noble Consulting Services Inc. to act as Special Deputy Rehabilitator to oversee daily operations. Noble will also utilize the expertise of the servicing company and staff already in place to continue uninterrupted customer service and efficient operations.

5) Will my interest rate or crediting rate change?

Interest will continue to be credited at guaranteed rates.

6) Can I still get my monthly interest payments?

Yes, existing monthly interest distributions will continue uninterrupted. New requests to set up systematic interest distributions are not being accepted.

7) Will Required Minimum Distributions (RMDs) from IRAs be available?

Yes, all new and existing RMDs for IRAs will be processed as received. Note that bulk distributions or transfers other than RMDs will not be allowed at this time.

8) How will surrenders or requests for distributions be handled during the rehabilitation?

In order to preserve assets for the benefit of all policyholders, the Court has ordered a moratorium be placed on cash surrenders, new annuitizations and policy loans, meaning they will not be honored so long as the Court's order is in place. This moratorium has no set expiration date and will last until lifted by the Court.

9) Will a surrender in process before the rehabilitation date be paid out?

Yes, a surrender in process before the Order will be honored.

10) Will the penalty-free partial withdrawals be allowed?

No, due to the moratorium in place there are no partial withdrawals allowed at this time. However, requests can be submitted under the hardship procedures.

11) Is there a Hardship Program to request a withdrawal of funds?

Yes. A hardship application with instructions to request funds for an immediate economic need is available on the website. Each individual application will be fully reviewed, and a response will be provided as to

whether the hardship application is approved or not. It will take approximately 7-10 business days to review the requests once all information has been received.

12) How will matured annuities and annuities in payout be handled?

Annuities that mature will be paid, and annuities in payout will continue. Please note that contracts mature at a designated age according to contract terms, this is different than the end of the surrender charge period.

13) How will death claims on annuity contracts be handled?

Death claims will be processed without interruption.

14) Can I continue to add money to my account?

No. At this time, the most prudent stance is to not add additional funds that could be restricted during the rehabilitation proceeding. Therefore, new contracts or additional deposits are not being accepted or processed until further notice. All new applications and premiums in process will be returned. Automated or bank draft contributions will be cancelled as well. All annuity premium reminder notices sent in the past have also been halted.

15) Will medical or dental claims be paid?

Yes, they will be paid in full

16) What happens to my policy if rehabilitation does not work?

The purpose of rehabilitation is to revitalize the Companies, and avoid liquidation, for the greater protection of the policyholders. However, if the rehabilitation is, for some reason, not successful, then the Companies would be placed into Court ordered liquidation. Under liquidation there would be an effort to move all of the policies to solvent insurers, with the assistance of state guaranty associations. Those associations help protect policyholders up to state guaranty fund coverage limits.

17) Will my agent remain appointed with the company?

Any existing agent appointments will be terminated. Agents will still have administrative access to their client's contract information to assist with client needs.

18) Where can I get more information?

For further questions contact the appropriate Company as follows:

Colorado Bankers Life Insurance Company 1-800-367-7814
Bankers Life Insurance Company 1-800-839-2731
Southland National Insurance Corporation 1-833-452-4240