

## PRESS RELEASE

THE JUDICIAL MANAGERS/ADMINISTRATOR OF THE BRITISH AMERICAN INSURANCE COMPANY LIMITED BRANCHES IN THE EASTERN CARIBBEAN ("BAICO-EC") HAVE TAKEN ACTION TO PROTECT THE INTERESTS OF PROPERTY INSURANCE POLICYHOLDERS THROUGH AN ARRANGEMENT WITH CARIBBEAN ALLIANCE INSURANCE COMPANY LTD ("CARIBBEAN ALLIANCE INSURANCE"), LOCAL REPRESENTATIVE RICHARD MCINTYRE (INSURANCES) LTD.

The Judicial Managers/Administrator ("JMs") of BAICO-EC, all Partners and Directors of KPMG, are pleased to announce that, pursuant to a plan approved by the Courts, they have recently concluded an arrangement with Caribbean Alliance Insurance regarding BAICO-EC's existing property insurance policyholders. Under the terms of Court Orders obtained in the several jurisdictions earlier this year, the Court endorsed the JM's recommendations to, among other things, divest BAICO's Eastern Caribbean property insurance portfolio.

Under the arrangement with Caribbean Alliance, any existing property insurance policyholder of BAICO-EC will be offered new property insurance cover by Caribbean Alliance Insurance on substantially the same terms as they had previously.

This action was taken by the JMs as a result of the serious financial difficulties currently being experienced by BAICO-EC, in order to ensure that future claims on the property book would be paid.

Under the terms of BAICO-EC's property insurance policies, policies may be cancelled by BAICO-EC or policyholders by giving seven days' notice. Letters are in the process of being sent to all BAICO-EC's property insurance policyholders, explaining the decision to cancel their BAICO property insurance and providing them with instructions for continuing property cover with Caribbean Alliance Insurance, via their local representative, Richard McIntyre (Insurances) Ltd.

A statement on behalf of the JMs read: "The difficulties arising from BAICO-EC's financial position meant we had to initiate a transfer process to an alternative insurer for this line of business to prevent significant exposure to our policyholders. We're obviously delighted that, through our working relationship with Caribbean Alliance Insurance and the Judicial Manager of BAICO in the Bahamas, and the significant assistance and support of local regulators, we have managed to effect a solution to provide protection to our local policyholders."

Now that BAICO-EC has transferred its property insurance portfolio, the JMs of BAICO-EC are continuing to work with the Governments and other potential strategic investors to structure a plan for the implementation of other recommendations approved by the Court. The goal is to find a resolution that could offer the remaining policyholders and annuitants options more attractive than the BAICO liquidation alternative. The JMs of BAICO-EC hope to be able to make further positive announcements in the near future.

About Caribbean Alliance Insurance:

Caribbean Alliance Insurance is a regional insurance company covering the Eastern Caribbean with its Head Office based in St John's, Antigua. Whilst Caribbean Alliance Insurance as an entity was formed in 1988 and is rated A-(Excellent) by A.M. Best Ltd.

The local representative for Caribbean Alliance Insurance Co. Ltd. is Richard McIntyre (Insurances) Ltd, Green Street, P. O. Box 361, St. George's, Grenada, Tel: (473)440-3753, [email:rmil@spiceisle.com](mailto:rmil@spiceisle.com).