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1 March 2024

TO: ALL KNOWN POLICYHOLDERS AND THEIR AUTHORISED REPRESENTATIVES

Re: Custodian Life Limited – In Provisional Liquidation for Restructuring Purposes Only (“the Company”)

On 24 November 2023 the Supreme Court of Bermuda (“the Court”) issued an Order (“Order”) appointing Edward Willmott and John Johnston, both of Deloitte Financial Advisory Ltd, as Joint Provisional Liquidators (“JPLs”) of the Company for restructuring purposes only, a copy of the Order is enclosed. This Order followed the presentation of a Winding Up Petition (“the Petition”) by the Bermuda Monetary Authority (“BMA”) on 3 November 2023. The Order was agreed to by both the Company and the BMA.

Following the JPLs’ appointment, the hearing of the Petition was adjourned from 24 November 2023 to 26 January 2024. On 26 January 2024, the Petition hearing was further adjourned to 15 March 2024. These adjournments were granted by the Court in order to allow the JPLs sufficient time to assess the Company's affairs for the purposes of evaluating available options to resolve the matters giving rise to the Petition through a consensual restructuring plan.

The JPLs are independent restructuring professionals appointed by the Court to serve the interests of stakeholders in the Company, including policyholders. Based on the information available to them, the JPLs have determined that these interests are best served by evaluating and progressing efforts to restructure the Company in an expeditious manner with support from the Company itself.

Accordingly, the JPLs primary objective at this stage is, and has been since their appointment, to assess the financial position of the Company and institute safeguards during the course of the restructuring that will ensure adequate protection for policyholders’ interests. Notably, this assessment of the financial position of the Company is also a necessary precondition to the Company being able to return to the ordinary processing of requests from policyholders, including redemption requests.

The JPLs understand that some of the policyholder protection measures implemented by the JPLs, including the temporary pause on the processing of withdrawals, redemptions, and trades, have the potential to cause immediate hardship to the policyholders. Unfortunately, these measures are necessary to protect the broader interests of the policyholders as a whole while the JPLs take urgent steps to verify the overall financial position of the Company.

In the interim, please continue to submit requests in the usual manner, including copying the JPLs’ designated email address, cbcbmcustodianlife@deloitte.com into all correspondence, so that these requests can be prepared for processing as soon as the temporary restrictions are lifted.

The JPLs attach a Frequently Asked Question (“FAQ”) document which they hope answer some of the common questions that have been raised. The JPLs will issue further updated FAQs as this matter progresses and will continue to provide updates on the progress of the restructuring from time to time as considered necessary and/or when it is in the best interests of the stakeholders.

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Should you have any questions or require further assistance, please do not hesitate to contact us at our dedicated email address cbcbmcustodianlife@deloitte.com.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'E Willmott', written in a cursive style.

Edward Willmott

Joint Provisional Liquidator

For and on behalf of Custodian Life Limited – In Provisional Liquidation

Without personal liability

**IN THE SUPREME COURT OF BERMUDA
COMPANIES (WINDING UP)
COMMERCIAL COURT**

2023: No. 376

IN THE MATTER OF CUSTODIAN LIFE LIMITED (PROVISIONAL LIQUIDATORS APPOINTED) (FOR RESTRUCTURING PURPOSES ONLY)

AND IN THE MATTER OF SECTION 35(1)(B), INSURANCE ACT 1978

AND IN THE MATTER OF SECTION 35(1)(C), INSURANCE ACT 1978

AND IN THE MATTER OF SECTION 35(3), INSURANCE ACT 1978

AND IN THE MATTER OF SECTION 24, SEGREGATED ACCOUNTS COMPANIES ACT 2000

AND IN THE MATTER OF THE COMPANIES ACT 1981

**ORDER
(By Consent)**

UPON the presentation of a winding up petition by the Bermuda Monetary Authority (“**Authority**”);

AND UPON the application by the Authority by summons;

AND UPON hearing Counsel for the Authority and for Custodian Life Limited (“**Company**”);

AND UPON the application being consented to by the Company;

AND UPON READING the Petition filed herein, the Affidavit of Susan Davis-Crockwell sworn on 3 November 2023;

IT IS HEREBY ORDERED as follows:

1. The Court file shall be sealed. Access to the Court file in this matter shall only be permitted upon further order of the Court with any application for an order permitting access to the Court being made on at least 3 days prior written notice to the Authority and the Company.
2. The hearing of the Petition, currently listed for 15th December 2023, shall be adjourned to the 26th January 2024 at 9.30AM.
3. That Edward Willmott and John Johnston of Deloitte Financial Advisory Ltd. are hereby appointed joint provisional liquidators (“JPLs”) of the Company with full powers.
4. For the avoidance of any doubt, no payment or disposition of the Company’s property shall be made or effected without the approval of the JPLs but no such payment or other disposition made or effected by or with the authority or approval of the JPLs in carrying out their duties and functions and in the exercise of their powers under this Order shall be avoided by virtue of the provisions of section 166 of the Companies Act 1981.
5. In the event that a winding-up order is made against the Company, any fees and expenses of the JPLs, including all costs, charges and expenses of their attorneys and all other agents, managers, accountants and other persons that they may employ, which are payable in accordance with the terms of the orders which may be made by this Court, and which are outstanding at the date of the winding-up order, shall be treated as fees and expenses properly incurred in preserving, realising or getting in the assets of the Company for the purposes of Rule 140 of the Companies (Winding-Up) Rules 1982.
6. The JPLs shall be at liberty to submit to the Registrar of the Supreme Court of Bermuda bills of costs for taxation for all costs, charges and expenses of those persons or firms employed by him, with such taxation to be on an attorney and own client basis with respect to attorneys and on an equivalent basis for all managers, accountants and other persons.
7. The powers of the JPLs may be exercised jointly and severally and are unlimited.
8. The Petitioner’s costs of this application shall be paid out of the assets of the Company on a solicitor and own client basis as an expense of the provisional liquidation.

9. The title of these proceedings be appended with the words "(provisional liquidators appointed) (for restructuring purposes only)".

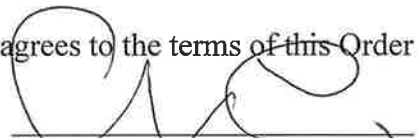
10. Liberty to apply.

Dated this 24th day of November 2023



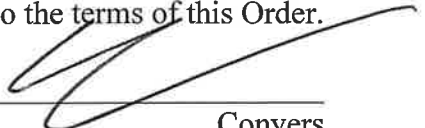
CHIEF JUSTICE

The Company agrees to the terms of this Order



Carey Olsen Bermuda Limited

The Authority agrees to the terms of this Order.



Conyers

**IN THE SUPREME COURT OF BERMUDA
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**AND IN THE MATTER OF THE COMPANIES ACT
1981**

**ORDER
(By Consent)**



**CONYERS DILL & PEARMAN LIMITED
Clarendon House
2 Church Street,
Hamilton HM 12
Bermuda**

2023 NOV 24 PM 3:24

FREQUENTLY ASKED QUESTIONS

Why were joint provisional liquidators appointed?

The Bermuda Regulatory Authority (“BMA”) presented a winding up petition (the “Petition”) dated 24 November 2024 against Custodian Life Limited (in Provisional Liquidation) (the “Company”) and subsequently applied to the Supreme Court of Bermuda (“Bermuda Court”) for the appointment of Joint Provisional Liquidators (“JPLs”) of the Company.

The Petition was presented by the BMA based upon the grounds specified in Section 35 (1) (b) – (c) of the Insurance Act 1978 (“IA1978”). This statute provides that the Court may make a winding up order in respect of an insurer such as the Company where it is established by the BMA that:

- I. the insurer has failed to satisfy an obligation under IA1978, including a failure to prepare or file accounts and financial statements of the insurer in accordance with the IA1978;
- II. the Authority is otherwise unable to ascertain the financial position of the insurer.

The Petition was not presented on the grounds specified in Section 35 (1) (a) of the IA1978 which provides that the Court may make a winding up order in respect of an insurer such as the Company where it is established by the BMA that the Company is unable to pay its debts (i.e. is insolvent) within the meaning of sections 161 and 162 of the Companies Act 1981.

The Company disputed the facts alleged by the BMA in support of the Petition and did not oppose the appointment of the JPLs for restructuring purposes pursuant to the Petition.

Accordingly, by order of the Bermuda Court dated 24 November 2023 (the “Order”), Edward Willmott and John Johnston of Deloitte Financial Advisory Ltd., were appointed as JPLs of the Company for restructuring purposes only.

The hearing of the Petition has currently been adjourned to 15 March 2024.

What is the purpose of the provisional liquidation?

The primary purpose of the provisional liquidation is to restructure the Company. In doing so, and in accordance with the Order, the JPLs function is to safeguard the Company’s assets and ascertain their views on the Company’s financial position generally and current or future prospects of compliance with the IA1978.

The JPLs are independent restructuring professionals appointed by the Court to serve the interests of stakeholders in the Company, including policyholders. Based on the information available to them at this time, the JPLs have determined that the best interests of all stakeholders, and specifically Policyholders, are best served by expeditiously progressing these efforts to achieve a successful restructuring of the Company in an expeditious manner with cooperation from the Company itself.

While, the JPLs have received some information, pending receipt of the information necessary to ascertain the financial position of the Company and thereby prepare sufficient evidence to support an application to the Supreme Court of Bermuda validating payments to policyholders pursuant to Section 166 of the Companies Act 1981, the JPLs have taken the precautionary measure of suspending the payment of all redemption and withdrawal requests as well as individual portfolio trades. This suspension on

FREQUENTLY ASKED QUESTIONS

policyholder redemptions, and trade requests is intended to be temporary and is necessary to ensure that no disposition of assets of the Company, including any redemption payments will not be subsequently rendered void.

At present and in light of the impact of these temporary measures, the JPLs' immediate and urgent priority is to obtain sufficient information from the Company's management to ascertain the financial position of the Company. It is expected that upon receipt of this information the JPLs will be in a position to seek sanction from the Bermuda Court in relation to such steps as are necessary to achieve a successful restructuring and discharge of the JPLs. It is expected that any such order will also provide appropriate mechanisms for addressing policyholder redemption and trade requests pending implementation of such restructuring. In the event that the financial information provided by the Company is sufficient to eliminate any realistic prospect that the Company will be wound up or otherwise become unable to pay its debts, the JPLs would expect any order sanctioning the restructuring plan to include directions for immediate payments to redeeming policyholders either in full or in part in advance of the conclusion of the restructuring and discharge of the JPLs.

What is the current status?

The process of obtaining and analyzing the complete financial and corporate records from Company is ongoing.

The JPLs priority is and has been since the commencement of their appointment to urgently complete their assessment of the financial position of the Company as the prerequisite to a return to normal processing of policyholder requests and sanction of a restructuring plan resulting in a return to normal operation of the Company. The JPLs have pursued this priority in parallel with measures to ensure adequate protection for policyholders' interests during the course of their appointment.

While the JPLs continue to review the solvency and the segregation status of the Company based on the information provided, the JPLs will not be in a position to provide any further substantive update on the progress of the restructuring plan until they have been provided full access to the information requested by management and the service providers to the Company controlled by management.

While the JPLs cannot guarantee that a successful restructuring leading to the continuation of the Company as a going concern will be possible, the JPLs are exercising their powers having regard to the interests of all stakeholders, including policyholders, until such time as a restructuring is implemented. The JPLs are working closely with the Company's management and the BMA in these efforts to ensure the best possible outcome for all stakeholders.

When will redemption/trading be resumed?

As detailed above, the JPLs are unable to process transaction requests unless and until they are able to obtain sufficient evidence to justify the making of an Order by the Supreme Court of Bermuda validating dispositions of the Company's assets pursuant to Section 166 of the Companies Act 1981.

The measures taken pending receipt of such information apply equally to any trading and/or redemption requests submitted prior to the JPLs appointment which were not paid as of the date of Presentation of the Petition. For the avoidance of doubt the JPLs have currently suspended:

FREQUENTLY ASKED QUESTIONS

- The processing any trade requests between investment options at this time.
- The processing of any requests to transfer assets to other financial providers or institutions.
- The processing of any withdrawal requests.

The JPLs will communicate any changes in this position as appropriate.

What effect does the Segregated Accounts Companies Act 2000 have on my rights against the Company or its assets?

As part of the JPLs' investigations and in anticipation of receiving full information from the management of the Company in relation to the assets held by it, the JPLs have engaged attorneys for the purpose of confirming the effect of the arrangements between individual policyholders under the Segregated Accounts Companies Act 2000. The JPLs will intend to provide a further update to policyholders in connection with this matter pending receipt of further information and in advance of seeking sanction of any restructuring plan in the Supreme Court of Bermuda.

In the meantime, the JPLs confirm that they have not approved any modification to the legal rights of the policyholders pursuant to SACA persisting as of the date of the Petition and intend to take all necessary steps to preserve the *status quo* in this regard until such time as further information can be provided to policyholders.

Is the entity insolvent?

As part of their ongoing review, the JPLs are investigating the Company's solvency.

What happens if the Company is wound up?

The JPLs will update all policyholders should this occur. The JPLs will act in accordance with the Bermuda Companies Act and the Segregated Accounts Act which provides, among other things, that unless the Bermuda Court otherwise orders, the JPLs shall carry on the business of Company with a view to its being transferred as a going concern to another insurer.

When will I receive an update from the JPLs?

The JPLs will update all policyholders as and when there are material developments with regards to the restructuring that can be shared without compromising the commercial interests of the policyholders.

Can I submit a claim to the JPLs?

At this stage, the JPLs are not seeking claims from policyholders.

Who will pay the JPL fee?

The JPLs fees will be paid out of the Company's assets, subject to the approval of the Bermuda Court.

On what frequency should I expect updates from the JPLs?

The JPLs will provide an update to all policyholders following the hearing of the Winding-Up Petition which is currently scheduled for the 15th of March 2024. In addition, the JPLs will also communicate any material

FREQUENTLY ASKED QUESTIONS

updates to policyholders on an ad-hoc basis, where the JPLs consider they are able to do so without compromising the interests of policyholders' interests.

Will I still be able to access the Company's portal to view my transactions?

You should be able to access the Company's portal during the review period. Despite the trading restrictions noted above all other system functionality should operate in the normal way.

Will the Company be redomiciled to an offshore jurisdiction?

The JPLs are not in a position to comment on the re-domiciliation of the Company at this stage. Any re-domiciliation will form part of a restructuring plan which will require approval from the policyholders in advance of its implementation.

Next Steps

The JPLs do not currently require any action from policyholders. The JPLs will continue to keep policyholders and creditors updated on the next steps in the provisional liquidation process, including in relation to the outcome of the Petition hearing.

Where can I find further information from the JPLs?

Please continue to liaise with your financial advisor and the back-office in the first instance. However, should you wish to contact the JPLs directly, please do so at cbbmcustodianlife@deloitte.com