March 25, 2013

Launch of Phase 2

The Governments of the Eastern Caribbean Currency Union ("ECCU") are pleased to announce the commencement of Phase 2 of the Policyholders Relief Programme (the "Programme"). Local BAICO branch offices will receive applications from today.

Who is covered under Phase 2?

Under this phase, Owners or Assignees of BAICO Executive Flexible Premium Annuity (Special Edition) ("EFPA")and Flexible Premium Annuity ("FPAII") Policies issued in the ECCU who have Principal Balances of EC$30,000 or less will receive that Principal Balance.

As a condition of payment, Owners and (if applicable) Assignees must sign an Application and Release Form. By signing that Form, they will be agreeing to give up all of their rights against BAICO and other specified persons in respect of the Policy, and their Policy will be cancelled.

Details and the terms of Phase 2 of the Programme are in the Brochure and Application Forms, available onwww.baico-intl.com and in BAICO branches. The ECCU Governments reserve their right to make changes to the terms at any time, or to decline any application.

Regretfully, assistance in respect of Flexible Premium Annuity ("FPA"), EFPA or FPAII Policies where the relevant balance is more than EC$30,000 has been deferred until further funding is received. Please see below for more information.

The ECCU Governments sincerely thank the owners of those policies for their continued patience.

How many Policy Owners may be assisted under Phase 2?

Almost, 2,700 Policy Owners have the potential to benefit from Phase 2, with over EC$28 million available for payments.

After the completion of Phase 2, over 80% of all "in force" BAICO traditional and EFPA/FPAII Policyholders would have been made good. This means that they will have either had their policies restored under the same terms to Sagicor, or had the opportunity to receive repayment of at least their principal investment.

What is the Principal Balance?

The Principal Balance is the total amount of contributions made to the Policy, less the amount

of any withdrawals or partial payments.

How to Apply for Payment

Attend your local BAICO Branch before June 30, 2013 to submit your Application and supporting documents. If all documentation has been provided, and the Application is properly completed, qualifying applicants should allow up to eight weeks for processing of a standard application.

What Applicants must bring

When making an Application for payment it is essential that Policy Owners bring:

- A valid photo Identification, such as your Passport or Driver's License. This will be required for allPolicy Owners. If a Policy Owner's name has changed, they should also bring proof of that change of name; and

- the original Policy. If your policy has been lost or destroyed, Policy Owners will need to sign a Lost Policy Declaration and pay a fee for advertising.

Potential applicants are asked to ensure that they are the Owner or the Assignee of the Policy. The identity of the Policy Owner can usually be checked by looking at the original Policy document, or the Annual Report received in respect of the Policy.

Who must sign the Application Form?

Only One Policy Owner: The Owner of the Policy must sign the form.

Multiple or Joint Policy Owners: If there is more than one Policy Owner, ALL Policy Owners must sign.

Spouse Beneficiaries: If a Policy Owner's current or former spouse is noted as either the Annuitant or the Beneficiary under the Policy, that person will also need to sign the Application Form. They will also need to attend the branch and present valid photo identification. If they are unable to attend the branch, separate arrangements will need to be made.

Assigned Policies: If your Policy has been assigned, both the Assignee and all Policy Owners who are required to sign must sign an Application Form. There is a special Application Form for assigned Policies. See more information below.

Death Claim: If there is a Death Claim under the Policy, a claim will need to be made before an Application Form is submitted. The process for making a Death Claim appears in the Brochure.

As part of the finalization of the claim, the correct person/s that can make the Application and receive payment under the Programme will be identified.

Assignments

Many EFPA and FPAII Policies will have been assigned to a third party, usually a financial institution in conjunction with a loan. If this has occurred, it is the assignee who will receive payment under the Programme, unless the assignment is properly released. All Policy Owners and the Assignee will need to sign the Application Form.

What type of Policy do I have?

The type of policy you have will appear on the original document issued by BAICO, and will usually appear on the Policy Page under the heading “Schedule of Benefits”.

If you have an EFPA or FPAII policy, the Plan will be indicated either as:

- “Special Edition” or “Special Edition – US” for EFPA Policies; or

- “Flexible Premium Annuity” or “Flexible Premium Annuity – US” for FPAII Policies.

As a general guide, EFPA AND FPAII Policies were mainly funded by a single premium payment to BAICO, and often used as shorter term investment offering higher returns to Policy Owners.

Please note that the above description is a general guide only, and the circumstances of many Policy Owners may be different to the above.

If you are still unsure about the type of Policy that you have, your local BAICO branch should be able to assist you.

What about:

- EFPA and FPAII Policy Owners with Principal Balances over EC$30,000?

- Flexible Premium Annuity ("FPA") Policy Owners with August 1, 2009 fund balances over EC$30,000?

The ECCU Governments are receiving funding for the Relief Programme in three tranches. The first tranche, received in December 2012, provided the funding needed for Phase 1 and Phase 2.

Unfortunately, the second tranche of funding has not yet been received and current funding available does not permit the payment of all amounts that had been originally proposed for Phase 2.

For this reason, Phase 2 has had to be scaled back to include only those EFPA or FPAII Policies with Principal Balances of EC$30,000 or less.

Assistance for FPA Policy Owners with balances above EC$30,000, and also for EFPA and FPAII Policy Owners or Assignees with Principal Balances over EC$30,000, will be available when the second tranche is received.

Assistance for EFPA and FPAII Policy Owners with Principal Balances over EC$30,000, and for FPA Policy Owners with balances over EC$30,000, must now be deferred until sufficient funding is received.

The ECCU Governments are very mindful that many Policy Owners will be disappointed by this deferral. The Governments wish to reassure persons waiting to receive assistance that they will continue to work diligently to secure the receipt of this funding, and commence the next phase, as soon as possible.

Phase 1 Application Period to close on March 31, 2013

Applications under Phase 1 of the Programme, which commenced in December 2012, will close on March 31, 2012.

Owners of Flexible Premium Annuity Policies with EC$30,000 or less in fund balance are requested to ensure that they apply by the deadline.

Acknowledgement

The ECCU Governments acknowledge and express their appreciation to the Government of the Republic of Trinidad and Tobago, which has to date provided, and further committed to provide, a substantial amount of funding to support the ECCU Governments' response for BAICO policyholders.

The Governments also express their appreciation for the valuable assistance of the Judicial Managers and Administrator and staff of BAICO, both in the ECCU and in The Bahamas, and to the management and staff of the British-American Insurance in Trinidad for their assistance in implementing this Programme.