

Seventh Report of The Official Liquidator of

**Clico (Bahamas) Limited**  
**(In Liquidation)**

For the period from January 1, 2011 to March 31, 2011

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# CLICO (BAHAMAS) LIMITED

*(In Liquidation)*

**Seventh Report of the Official Liquidator (From January 1, 2011 to March 31, 2011)**

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## INTRODUCTION

The Seventh Report of the Official Liquidator of Clico (Bahamas) Limited ("the Company") is intended for use by the Supreme Court of the Commonwealth of The Bahamas. This report sets out the steps taken by the Official Liquidator during the period from January 1, 2011, to March 31, 2011.

## BACKGROUND AND BASIS OF APPOINTMENT

Clico (Bahamas) Limited is a Bahamian Company, incorporated under the Companies Act, 1992, on May 10, 1960, as British Fidelity Assurance Company Limited. The Company's name was changed to Clico (Bahamas) Limited on April 7, 2005. Clico (Bahamas) Limited operates branches in The Bahamas, Belize and the Turks & Caicos Islands. Clico's parent company is Clico Holdings (Barbados) Limited. Clico's ultimate parent company is CL Financial Limited, incorporated in the Republic of Trinidad & Tobago. The Company is registered to conduct insurance business within the Bahamas pursuant to Section 5(1) of the Insurance Act, Chapter 347.

Several months prior to the liquidation, the Company experienced cash flow problems as evidenced by its inability to pay US\$2.6M of claims in the Turks and Caicos Islands. The Company had no immediate plan or means to pay policy surrenders or maturities prior to the liquidation date.

Prior to the aforementioned claims and since 2003, the Company had advanced funds to CLICO Enterprises Limited ("CEL"). These advances were made by the Company apparently for the purpose of paying the ongoing expenses for CEL and its subsidiary investment properties. As at December 31, 2008 approximately US\$73M had been advanced to CEL (December 31, 2007 audited amount was \$57,010,248), and it is unlikely that this loan can be recovered at full value as CEL's December 31, 2008 unaudited financial statements reflect assets of US\$108M and its liabilities are US\$129M, leaving a deficit of US\$21M. Current market conditions and a series of litigious issues continue to place downward pressure on the Company's ability to fully recover in the short term.

Among the many concerns arising out of the transfer of funds to related parties was whether or not the Company circumvented Exchange Control Regulations in The Bahamas to:

- Purchase real estate in The Bahamas without regulatory approval.
- Purchase real estate outside The Bahamas without regulatory approval.
- Repatriate revenue without the approval of the Central Bank of The Bahamas.
- Transfer funds from CBL to persons outside The Bahamas.

As a result of various inter-company loans from the Company to its subsidiaries, the Company faced liquidity problems and was challenged to fund its daily operations. This, together with ongoing regulatory matters and concerns, in particular, the inter-company loan extended to CEL on February 24, 2009, resulted in the Company being placed into provisional liquidation.

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## **BACKGROUND AND BASIS OF APPOINTMENT (continued)**

On February 24, 2009, I appeared with General Counsel, The Insurance Commission of The Bahamas ("ICB") (formerly Registrar of Insurance) and Counsel from the Attorney General's Office before the Supreme Court of The Bahamas. The petition for the winding-up of Clico was presented to the Court and an Order was granted by Her Ladyship, the Honourable Justice Mrs. Cheryl Albury, appointing me as Provisional Liquidator and that I, Craig A. (Tony) Gomez be court supervised. Further, it was ordered that the Liquidator be assisted by Callenders & Co. as General Counsel and that an insurance specialist be appointed to assist in the liquidation.

It was also Ordered that a Notice of the Petition be published in the local gazette and a further hearing was scheduled for March 18, 2009, at which time the hearing of the Petition for a winding-up order of the Company would be heard. However, the mentioned date for the hearing was postponed to March 27, 2009.

I appeared with General Counsel before the Supreme Court of The Bahamas on March 27, 2009, on the application to place the Company into liquidation. The hearing was adjourned to April 7, 2009.

I appeared with General Counsel before the Supreme Court of The Bahamas on April 7, 2009, and an Order was granted by Her Ladyship the Honourable Justice Mrs. Cheryl Albury for the liquidation to be Court supervised, and that I, Craig A. (Tony) Gomez be appointed Official Liquidator of Clico (Bahamas) Limited, and authorized to appoint Callenders & Co. as General Counsel to assist me in the performance of my duties. On April 26, 2009, notices were published in the local gazettes in The Bahamas, to advertise the granting of the Order for the liquidation of the Company subject to the supervision of the Court.

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## DEFINITIONS

In this Report, the words and expressions hereunder shall mean, as follows:

"The Official Liquidator" means Craig A. (Tony) Gomez or any member of his (the Liquidation) team.

"I" or "Me" means Craig A. (Tony) Gomez or any member of his team.

"The Company" means Clico (Bahamas) Limited.

"CBL" means Clico (Bahamas) Limited.

"Counsel" means Callenders & Co., the Liquidator's General Counsel.

"United States ("US") Counsel" means FowlerWhite Burnett.

"Court" means the Supreme Court of the Commonwealth of The Bahamas.

"ICB" means the Insurance Commission of The Bahamas.

"WPC" means Wellington Preserve Corporation.

"CEL" means Clico Enterprises Limited.

## STEPS TAKEN BY THE LIQUIDATOR (for the period from January 1, 2011 to March 31, 2011)

1. I attended Court on a bi-monthly basis with General Counsel to provide a progress report on the liquidation to the Court. The Superintendent for the Insurance Commission of The Bahamas, Legal Counsel for the Insurance Commission of The Bahamas and Counsel on behalf of the Attorney General also attended each bi-monthly meeting.
2. I met with the General Counsel to discuss general matters in the liquidation regarding the real estate sales, the Belize liquidation and the liquidator's reports.
3. I met with the Actuary to discuss the December 31, 2010 valuation.
4. Continued to address questions and concerns of policyholders.
5. Continued the payment of medical and death claims in accordance with the Order of the Supreme Court dated and filed on June 17, 2009.
6. I attended Court for the approval of the 5<sup>th</sup> and 6<sup>th</sup> Liquidator's Report and the Order was granted subject to amendments.
7. I met with the proposed buyer of Clico to discuss Clico's accounting process.

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**STEPS TAKEN BY THE LIQUIDATOR** (for the period from January 1, 2011 to March 31, 2011)  
**CONCERNS** (continued)

8. I met with the proposed buyer of Clico to address and review Clico's system.
9. I met with the proposed buyer of Clico to discuss Clico's underwriting activities.
10. Held a Creditors Committee Meeting.
11. Continued to follow-up with the Liquidator and the Superintendent of Insurance in Belize in relation to the amendment to the Belize Transfer Agreement as Ordered by The Bahamian Court.

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## CONCERNS

- **Ongoing Operations**

I am continuing the Company's operations on a limited basis.

- **Clico's Selection of an Insurer and transfer of Portfolios**

A buyer has been identified to assume Clico's life, health and pension policies and the buyer is continuing its due diligence procedures.

Unfortunately, the proposed purchaser and I concluded that the transfer of the portfolio should be based on the December 31, 2010 valuation, which would result in a more current valuation but would also result in an amended Transfer Agreement.

On January 4 2011, I received certain questions from the proposed purchaser's independent actuary, inquiring about Clico's Par Policies, which was addressed by me.

On January 4, 2011, I address email questions from the proposed purchaser with regard to Clico's policy system.

On January 7, 2011, I met with the proposed purchaser's accounting team to discuss Clico's accounting system.

On February 4, 2011, I met with the proposed purchaser to discuss the underwriting functions during the liquidation period to-date.

We received the first draft of the December 31, 2010 actuarial valuation on March 28, 2011, which was sent to the proposed purchaser for review and comments.

On March 31, 2011, the proposed purchaser responded to the Actuary (Morneau Sobeco) with their comments.

As at the date of this report we await the final actuarial valuation for December 31, 2010.

- **Actuary**

I met with Morneau Sobeco's Actuaries in Nassau on February 11, 2011 to discuss the progress of the December 31, 2010 actuarial report and address other concerns in connection with the completion of their report and related financial data.

On March 4, 2011, I sent the Actuary a copy of the December 31, 2010 financial statements.

I had a conference call with the Actuary on March 16, 2011, to discuss and address questions arising from the December 31, 2010 Actuary Report.

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## CONCERNS

- **Actuary** (continued)

On March 21, 2011, I responded to further questions received from the Actuary with regard to the interest rates on Clico's investments and balances on the current account.

- **Government Guarantee**

The Government of The Bahamas is expected to provide a Guarantee of B\$30 Million to assist in the anticipated shortfall in the liquidation.

The guarantee in its proposed state will provide the following:

- (a) Death coverage up to B\$300,000.00 per person;
- (b) Executive Flexible Premium Annuity ("EFPA") would receive up to B\$100,000.00 per person;
- (c) Annuity holders (fixed deposits and pensioners) would receive up to B\$100,000.00 per person;
- (d) Life insurance - full coverage;
- (e) Accident and sickness - full coverage.

However, it is anticipated that the Government will be reimbursed for any funds utilized under the guarantee from funds received by Liquidator from the sale of Clico's assets and from funds recovered otherwise.

The drafting of the Guarantee has commenced by the AG's office assisted by my General Counsel.

I expect to receive the first draft of the Guarantee within the next three (3) weeks.

- **Court Matters**  
**(Bahamas)**

### **February 24, 2011**

At this hearing the Court was updated on the following matters:

- The Belize Transfer Agreement.
- Status of Clico's 5<sup>th</sup> and 6<sup>th</sup> Liquidator's Report.
- Status on the sales of the Sears Hill properties and the Centreville Medical Center.
- Intended depositions of Clico's former directors and officers.
- General update on the progress of the liquidation.

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## CONCERNS

- **Court Matters (continued)**  
**(Bahamas)**

### March 3, 2011

At this hearing the Court was updated on the following matters:

- Status of Clico's Fifth and Sixth Liquidator's Report.
- The hearing was adjourned to March 17, 2011.

### March 17, 2011

- The hearing was postponed.

### March 24, 2011

At this hearing the Court was updated and presented with the following matters for approval:

- Approval of the Fifth Liquidator's Report. Approval obtained.
- Approval of the Sixth Liquidator's Report. Approval obtained subject to amendments.
- Status of the Transfer Agreement and the Government Guarantee.
- Updated on the next Creditor's Committee, scheduled for March 31, 2011.
- The Belize Liquidation.

- **General Counsel**

I met with General Counsel on January 14, 2011, to discuss details relative to the liquidation.

These matters included in particular the following:

- Update on the real estate sales.
- Liquidator's Reports.
- Update on the progress of the Belize liquidation.
- Update on Turks & Caicos liquidation.
- Update on the CL Financial Guarantee.
- Transfer of the portfolio to the proposed purchaser.
- Intended Depositions of former shareholders and directors of Clico.
- Recovery of assets held at First Citizen Bank in Trinidad.

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## CONCERNS

- **Clico Enterprises Limited & Wellington Preserve Corporation**

See the Fifth Liquidator's Report of Clico Enterprises Limited, which includes the Debtor In Possession Report for Wellington Preserve Corporation ("WPC") for the same period for matters related to CEL and WPC.

- **Policyholders**

1. I continue to urge policyholders to continue making premium payments on their respective policies. Only policies currently in force will be assumed by the new insurance provider.
2. Policyholders are continuing to make their premium payments to keep their policies in force.
3. I continue to receive visitations and calls from policyholders who are claiming that they have no information on the status of their policies with Clico and they are continuing to pay the premiums. I am continuing to advise all policyholders to read all public notices issued by the Liquidator; call the Liquidator and/or visit the Liquidator's website to keep current on liquidation matters.
4. Policyholders are also encouraged to direct all questions they have regarding the liquidation directly to the Liquidator's office.

- **First Caribbean International Bank (Bahamas) Limited**

I was served with an Affidavit of proof of claim from FirstCaribbean International Bank ("FCIB") in the amount of B\$363,215.91, representing the balance for loans that the Company had with FCIB. I have accepted this claim and have included it on the list of creditors in the liquidation.

It has been agreed by the concerned parties that the mortgage will be settled with proceeds from the sale of real estate.

- **Real Estate**

As at the date of this report I continue to move the due diligence process forward for two (2) prospective real estate buyers to finalize the sales contract to a completion:

- (1) Six (6) properties located at Sears Hill.
- (2) Centreville Medical Center located Collins Ave and Gibbs Corner.

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## CONCERNS

- **Real Estate**

The completion of the two (2) real estate sales has been protracted as a result of having to correct numerous title deficiencies.

I expect to conclude the due diligence process on these 2 pending sales by mid-May 2011.

- **Staff**

I received a proof of claim from one of Clico's former agents, who had initiated a Court action against Clico for unfair dismissal. The matter was previously brought before the attention of the liquidation Judge.

I am currently reviewing the claim and will respond to the claimant after the completion of my review.

- **Annuities with Clico Guyana and Clico Suriname**

I have received documents from Clico Guyana ("Guyana") and Clico Suriname ("Suriname"), representing claims amounting to US\$34,069,961 and US\$18,734,202.97, respectively.

My preliminary review of the documentation suggests that valid insurance policies were never issued by the Company. The purported premiums received from both Guyana and Suriname were remitted directly to a bank account held in the name of the Company at Ocean Bank, Miami Florida, United States and to another account held by the Company in Trinidad at First Citizens Bank Limited.

U.S. Counsel has subpoenaed records from Ocean Bank that was the recipient of the funds transferred from Guyana and Suriname. A similar process is being carried out in Trinidad.

As at the date of this report some documents have been received and are currently being reviewed by the liquidation team and General Counsel, which will be forwarded to the opposing Counsels.

- **CL Financial Guarantee**

I have requested General Counsel to actively pursue the enforceability of CL Financial's US\$58M Guarantee to Clico (Bahamas) Limited. I was subsequently advised that a statutory demand had to be made first before a debt recovery action could commence in Trinidad.

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## CONCERNS

- **CL Financial Guarantee**

I have asked General Counsel to instruct the Counsel in Trinidad to proceed with the statutory demand. A statutory demand was served on CL Financial.

I am currently discussing the progress of this matter with General and US Counsel to determine how I should proceed to move this matter forward.

- **Creditors Committee**

I held a Creditors Committee Meeting on March 30, 2011. In attendance at the meeting were six (6) members of the Creditors Committee, along with representatives from the Insurance Commission and the Ministry of Finance.

At this meeting I updated the members of the Creditor's Committee on current events in the liquidation.

The Members were also updated on the sale proposals for the Wellington Preserve property.

- **Bahamas - Portfolio as at March 31, 2011:**

| <b>Plan Type</b>               | <b>No. of Policies</b> | <b>Sum Assured</b>     | <b>Surrender Value</b> |
|--------------------------------|------------------------|------------------------|------------------------|
| Ordinary Life                  | 8,357                  | \$ 520,378,860         | \$11,463,228           |
| Term Life                      | 422                    | 50,320,370             | 54,096                 |
| Home Service Life              | 821                    | 5,297,996              | 760,901                |
| Group Life                     | 5                      | 100,000                | 0                      |
| Individual Pension             | 569                    | 279,867                | 4,996,597              |
| BFA Staff Group Pension        | 72                     | 242,793                | 1,039,141              |
| Ordinary Medical               | 1,782                  | 728,247,800            | 9,608                  |
| Student Plan (STP)             | 1,377                  | 11,016,000             | 13,331                 |
| Pension - Reduced Paid-Up (5D) | 976                    | 845,937                | 0                      |
| Life - Extended Term (5C)      | 169                    | 1,165,640              | 0                      |
| Flexible Group Pension         | 13                     | 22,898                 | 106,735                |
| Home Service Medical           | 377                    | 480,908                | 6,170                  |
| Group Medical                  | 3                      | 15,000,000             | 0                      |
| <b>Total</b>                   | <b>14,943</b>          | <b>\$1,333,399,069</b> | <b>\$18,449,807</b>    |

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## CONCERNS

- **Bahamas - Portfolio as at March 31, 2011:** (continued)

See chart below for attrition by policy category.

- **Bahamas - Policies surrendered January 1, 2011 to March 31, 2011:**

| <b>Plan Type</b>   | <b>No. of Policies</b> |
|--------------------|------------------------|
| Life               | 65                     |
| Individual Pension | 26                     |
| <b>Total</b>       | <b>91</b>              |

- **Intercompany / Related party balances**

We are expected to commence our examination of documents subpoenaed and received from the United States Counsel. This review will allow us to determine how we will proceed as it relates to the intercompany balances.

- **Asset Recovery**

On March 25, 2011, I recovered \$269,707.69 from Clico's bank account held at First Citizens Bank in Trinidad. This effort was coordinated by my United States Counsel.

- **Statement of affairs**

See Appendix 1 for the unaudited statement showing assets at estimated realizable values, and liabilities as at March 31, 2011.

- **Cash Receipts and Disbursements**

See Appendix 2 for cash receipts and disbursements for the period.

- **Belize**

An Order was granted by the Belize Court on August 6, 2010, to place Clico Belize into liquidation with the liquidation to be Court supervised and that Mr. Mark Hulse be appointed the Official Liquidator of Clico Belize.

The sale of the Clico Belize Life & Health insurance portfolio was approved by the Order of Her Ladyship the Honourable Justice Mrs. Claire Hepburn dated March 11, 2010 subject to a specific amendment being completed in the Transfer Agreement and on approval of the transfer by the Insurance Commission of The Bahamas.

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## CONCERNS

- **Belize (continued)**

The Government of Belize has refused to offer a Guarantee to the Belize Liquidator to support his signing of the Promissory Note to support the transfer of the Belize policy to the buyer.

On January 19, 2011, the buyer of the Belize portfolio filed a lawsuit against the Belize Liquidator, the Superintendent of Insurance and the Attorney General for non-receipt of the Promissory Note to support the transfer of the policies. See Appendix 5 for details of the lawsuit.

During the period of this report there were no sales for the Belize properties.

By Belize Court Order, the Belize Liquidator has paid out .25 cents on the dollar to EFPA holders.

- **Statement of affairs**

See Appendix 5 for the Second Report of the Liquidator of Clico Belize, for the period from September 25, 2010 to April 26, 2011.

- **Turks & Caicos**

I am in discussions with potential Actuaries to complete a valuation of Turk's & Caicos portfolio.

- **TCI - Portfolio as at March 31, 2011:**

| <b>Plan Type</b>               | <b>No. of Policies</b> | <b>Surrender assured</b> |
|--------------------------------|------------------------|--------------------------|
| Life                           | 142                    | \$ 14,926,000            |
| Medical                        | 1                      | 1,000,000                |
| Life - Extended Term (5C)      | 9                      | 0                        |
| Pension - Reduced Paid-Up (5D) | 4                      | 0                        |
| <b>Total</b>                   | <b>156</b>             | <b>\$ 15,926,000</b>     |

- **TCI - USD EFPA Portfolio as at March 31, 2011:**

| <b>Plan Type</b> | <b>No. of Policies</b> | <b>Surrender value</b> |
|------------------|------------------------|------------------------|
| Annuity (EFPA)   | 34                     | US\$62,341,275         |

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## CONCERNS

- **Turks & Caicos (continued)**
- **TCI - USD Portfolio as at March 31, 2011:**

| Plan Type     | No. of Policies | Sum Assured      | Surrender Value  |
|---------------|-----------------|------------------|------------------|
| Group Medical | 1               | US\$5,000        | US\$ 0           |
| Ordinary Life | 1               | 500              | 5,091            |
| <b>Total</b>  | <b>2</b>        | <b>US\$5,500</b> | <b>US\$5,091</b> |

- **TCI - Statement of affairs**

See Appendix 3 for the unaudited statement showing assets at estimated realizable values and liabilities as at March 31, 2011.

- **TCI - Cash Receipts and Disbursements**

See Appendix 4 for cash receipts and disbursements for the period.

## CONCLUSION

From an operational perspective, I will continue to process policyholder's claims; perform the accounting and policy administration functions and address requests and concerns while performing other functions considered necessary in the circumstances, all in an effort to continue to progress the liquidation to an orderly and proper conclusion. In doing so, among other actions and requests, I am encouraging policyholders to continue to make premium payments so as to maintain a current status of their policies with the Company.

The due diligence process is in the final stages of completion with regard to the local insurer for the assumption of the Company's life, health and pension policies.

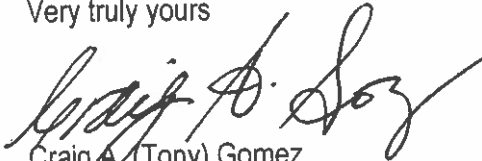
I will continue to identify assets and when possible, realize maximum values of the said assets for the benefit of creditors.

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The primary challenges facing the liquidation are:

- (1) Transfer of the life, health and pension policies to a new insurance company.
- (2) The sufficiency of the asset base required to transfer the policy portfolio to a new insurance provider;
- (3) Securing a Government Guarantee to support the sale of the portfolio;
- (4) Funding the costs in the Liquidation;
- (5) Shortfall in cash needed to meet operating expenses;
- (6) The continuation of the use of the accounting and policy systems hosted in Trinidad;
- (7) Adjudicating and managing ongoing claims;
- (8) Payment of claims received prior to February 24, 2009;
- (9) Funding of staff severance pay;
- (10) Sale of the Wellington Preserve property in Florida;
- (11) Realizing assets to satisfy creditors;
- (12) Sale of the Turks & Caicos policies;
- (13) Obtaining amendment to the Belize portfolio Transfer Agreement and completion of the transfer in Belize;
- (14) Obtaining The Bahamas Insurance Commission and The Bahamian Court approval for the transfer of the Belize portfolio;
- (15) Tracking assets considered to be the property of Clico;
- (16) The impact of policy lapses either due to a delayed portfolio transfer, or loss of confidence by current policyholders.

Very truly yours



Craig A. (Tony) Gomez  
Official Liquidator  
Clico (Bahamas) Limited  
(In Liquidation)  
Nassau, Bahamas  
March 31, 2011

**Clico (Bahamas) Limited**  
**(In Liquidation)**  
Statement of Assets at Estimated Realizable Values  
And Liabilities As Expected to Rank  
**(Bahamas only)**

As at March 31, 2011  
(Expressed in Bahamian dollars)

|  |                        |
|--|------------------------|
| <b>ASSETS:</b>   |                        |
| Due from Clico Enterprises Limited                                 | \$ 15,533,954          |
| Short-term deposit   | 8,675,645              |
| Cash (Appendix 2)  | 3,019,864              |
| Real estate  | 6,226,000              |
| Loans due from policyholders                                       | 3,826,739              |
| Bonds  | 4,544,177              |
| Loan due from Clico Enterprises Limited                            | 3,070,349              |
| Investment property  | 2,100,000              |
| Loan due from Wellington Preserve Corporation                      | 730,225                |
| Security deposits  | 134,192                |
| <b>Total assets</b>  | <b>47,861,145</b>      |
| <b>LIABILITIES:</b>  |                        |
| Policy and contract claims payable                                 | 33,236,141             |
| Future policies benefit reserves - Life                            | 19,794,276             |
| Future policies benefit reserves - Guaranteed Retirement (Pension) | 8,827,481              |
| Future policies benefit reserves - Group Annuities                 | 1,122,837              |
| Accounts payable and accrued expenses - Premium taxes              | 216,074                |
| Future policies benefit reserves - Accident & Health               | 77,247                 |
| Future policies benefit reserves - Accident & Health (Group)       | 37,240                 |
| Future policies benefit reserves - Life (Group)                    | 1,674                  |
| <b>Total liabilities</b>   | <b>63,312,970</b>      |
| <b>ESTIMATED LOSS AS REGARDS MEMBERS</b>                           | <b>B\$(15,451,825)</b> |

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Appendix 1 (continued)

**Clico (Bahamas) Limited**  
**(In Liquidation)**  
Escrow Cash Accounts  
**(Bahamas only)**

As at March 31, 2011  
(Expressed in Bahamian dollars)

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| <b>Cash and due from Banks (BSD)</b> | <b>Account Type</b> | <b>Location</b> | <b>Balance</b>      |
|--------------------------------------|---------------------|-----------------|---------------------|
| Escrow Cash on hand:                 |                     |                 |                     |
| Royal Bank of Canada                 | Life - Escrow       | Nassau          | \$ 8,487,109        |
| Royal Bank of Canada                 | Pension - Escrow    | Nassau          | 2,815,605           |
| Royal Bank of Canada                 | Health - Escrow     | Nassau          | 860,335             |
| Royal Bank of Canada                 | Annuity - Escrow    | Nassau          | 80,198              |
| <b>Total Cash held in Escrow</b>     |                     |                 | <b>\$12,243,247</b> |

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**Clico (Bahamas) Limited**  
**(In Liquidation)**  
 Statement of Cash Receipts & Disbursements  
**(Bahamas Only)**

For the period from January 1, 2011 to March 31, 2011  
 (Expressed in Bahamian dollars)

| <b>OPENING CASH POSITION</b>  | <b>B\$1,710,668</b> |
|---|---------------------|
| <b>Receipts:</b>  |                     |
| Premiums collected  | 1,853,545           |
| Asset recovery  | 269,708             |
| Rent collected  | 58,275              |
| Interest on T/Ds  | 54,439              |
|   | <b>2,235,967</b>    |
| <b>Disbursements:</b>   |                     |
| Claims - medical  | 326,841             |
| Professional fees   | 203,435             |
| Administration staff salaries                                       | 110,845             |
| Claims - death  | 86,512              |
| Addition to time deposits   | 54,439              |
| Security services   | 45,775              |
| Utility - electricity   | 27,015              |
| Premium refund - funds received in error/intended policy not booked | 21,088              |
| Utilities - telephone   | 15,726              |
| Utility - cable   | 7,781               |
| IT services   | 7,376               |
| National Insurance Board  | 4,164               |
| Bank charges  | 3,778               |
| Maintenance - building  | 3,561               |
| Grand Bahama Port Authority   | 2,275               |
| Office supplies   | 2,145               |
| Insurance   | 1,756               |
| Sundry  | 1,114               |
| Utilities   | 376                 |
| Courier   | 371                 |
| Miscellaneous   | 300                 |
| Grand Bahama Utility  | 98                  |
|   | <b>926,771</b>      |
| <b>CLOSING BALANCE</b>  | <b>B\$3,019,864</b> |

**Clico (Bahamas) Limited**  
**(In Liquidation)**  
 Statement of Assets at Estimated Realizable Values  
 And Liabilities As Expected to Rank  
**(Turks & Caicos only)**

As at March 31, 2011  
 (Expressed in United States dollars)

|   |                     |
|---|---------------------|
| <b>ASSETS:</b>  |                     |
| Due from Clico Enterprises Limited (cash advances)        | US\$73,801,867      |
| Due from Clico Belize                                     | 2,575,811           |
| Cash held with FirstCaribbean International Bank          | 866,996             |
| Fixed deposit held with FirstCaribbean International Bank | 219,144             |
| Due from policyholders (loans)                            | 43,578              |
| Due from Clico Barbados                                   | 41,191              |
| Investment in Clico Enterprises Limited                   | 5,000               |
| <b>Total assets</b>                                       | <b>77,553,587</b>   |
| <b>LIABILITIES:</b>                                       |                     |
| Future policies benefit reserves - Annuities EFPA         | 60,166,861          |
| Due to Clico U.S. Virgin Islands                          | 16,346,394          |
| Due to Parent - Clico (Bahamas) Limited                   | 291,512             |
| Future policies benefit reserves - Life                   | 233,609             |
| Due to Clico Cayman                                       | 58,769              |
| Due to Head Office - CL Financial                         | 57,350              |
| Due to Clico Suriname                                     | 27,156              |
| Future policies benefit reserves - Accident & Health      | 7,086               |
| Due to Clico Guyana                                       | 2,639               |
| <b>Total liabilities</b>                                  | <b>77,191,376</b>   |
| <b>ESTIMATED SURPLUS AS REGARDS MEMBERS</b>               | <b>US\$ 362,211</b> |

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Appendix 4

**Clico (Bahamas) Limited**  
**(In Liquidation)**  
Statement of Cash Receipts & Disbursements  
**(Turks & Caicos only)**

For the period from January 1, 2011 to March 31, 2011  
(Expressed in United States dollars)

|                               |                     |
|-------------------------------|---------------------|
| <b>OPENING CASH POSITION</b>  | <b>US\$847,631</b>  |
| <hr/>                         |                     |
| <b>Receipts:</b>              |                     |
| Premiums collected            | 30,737              |
| <hr/>                         |                     |
| <b>Disbursements:</b>         |                     |
| Administration staff salaries | 7,341               |
| Rent                          | 3,450               |
| National Insurance Board      | 416                 |
| Bank charges                  | 165                 |
|                               | <hr/> 11,372        |
| <hr/>                         |                     |
| <b>Closing balance</b>        | <b>US\$ 866,996</b> |
| <hr/>                         |                     |