



CENTRAL BANK OF TRINIDAD & TOBAGO

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News Release

CENTRAL BANK'S UPDATE ON THE PROGRESS OF THE RESOLUTION OF CLICO

In response to reports made in the *Sunday Business Guardian* on May 18 2014, the Central Bank advises that:

The Central Bank is in control of CLICO, pursuant to Section 44D of the Central Bank Act Ch. 79:02 (the Act). This regulatory action started on February 13, 2009, in order to safeguard the interests of policyholders and creditors and to prevent disruption, substantial damage or impairment of our financial system.

The Central Bank is the only entity empowered to restructure the business or undertakings of CLICO, in accordance with the provisions of the Act.

As part of the resolution strategy for CLICO, the Central Bank proposes to transfer CLICO's traditional insurance portfolio for value to an acquiring insurance company that is well capitalized, has a proven track record and the capacity to honour all obligations to policyholders.

In order to achieve this objective, the Act requires the Central Bank to have a market price for CLICO's traditional portfolio determined by an independent valuation company. An independent actuarial firm has, therefore, been engaged to value CLICO's traditional business for this purpose and the exercise is still in progress.

Subsequently, the Central Bank will conduct the process for the sale and transfer of CLICO's traditional insurance portfolio on a transparent, open market basis. The Bank has neither engaged with any prospective buyers nor made any decision on the structure of the portfolio transfer.

The Central Bank remains committed to pursuing the resolution of CLICO in the interest of policyholders and creditors in accordance with requirements of the law. The Bank will continue to provide updates on the progress of the resolution of CLICO.

A handwritten signature in black ink, appearing to read 'Jwala Rambarran', with a small flourish at the end.

Jwala Rambarran
Governor
Central Bank of Trinidad and Tobago