
National Organization of Life & Health Insurance Guaranty Associations

October 4, 2024

To: Member Company Officers and Staff

Subject: Insolvency Cost Report for **Colorado Bankers Life Insurance Company & Bankers Life Insurance Company**

NOLHGA is providing the enclosed data regarding insolvency costs to assist member insurance companies in establishing possible accruals for their respective share of costs relating to the liquidations of Colorado Bankers Life Insurance Company and Bankers Life Insurance Company (the “Companies”) —**this report contains information for those two Companies only**. The scheduled liquidation date of the Companies is set for November 30, 2024, and the enclosed schedules provide the latest estimates of the related GA coverage liabilities and expenses incurred to date.¹ It is our expectation that these cost reports will be updated in early December 2024 to reflect GA coverage liabilities as of the liquidation date. We are sharing two sets of reports: 1) A report with an estimated early access estate distribution of \$310 million (Note: The early access distribution is uncertain, including as to whether and when such a distribution would be made), and 2) a report with an early access estate distribution of zero.

Beginning in 2001, insurance companies were required to establish a liability and expense for guaranty association assessments when a loss is probable and can be reasonably estimated. Statement of Statutory Accounting Principle (“SSAP”) No. 35R – Revised Guaranty Fund and Other Assessments (finalized March 2000 by the NAIC, revised October 2010, revised again in March 2017) and Accounting Standard Codification 405-30, Insurance-Related Assessments (“ASC 405-30”, July 2009) (previously known as Statement of Position (“SOP”) 97-3 – Accounting by Insurance and Other Enterprises for Guaranty Fund and Certain Other Insurance-Related Assessments (released December 1997 by the AICPA)) discuss the particulars for establishing these liabilities.

This Report has been prepared by NOLHGA solely for the purpose of providing “member insurers” of guaranty associates (GA) with estimated GA net cost information that the insurers can use to estimate their possible net assessment costs in the insolvencies of the Companies. The Report should only be used in estimating your share of insolvency costs; it should not be used for any other purpose without NOLHGA’s consent. The Report does not waive and is not intended to waive any applicable privileges or other protections from disclosure.

The data and enclosed funding schedules utilize estimates and may exclude costs incurred directly by the state GAs. For a variety of reasons, actual assessments made by the GAs may not coincide with the anticipated funding schedules. Since the data has not been audited and does not necessarily coincide with GA assessments, it MAY NOT be used in protesting actual assessments made by State GAs. As such, neither NOLHGA nor the GAs will attempt to reconcile the data presented in the enclosed Report to actual GA assessments or explain such differences.

If you have any questions, please contact me at 703.787.4114 or ksheridan@nolhga.com.

¹ The estimated GA coverage liabilities are based on August 31, 2024, policy data projected to the liquidation date (11/30/24).