

Frequently Asked Questions
Southland National Insurance Corporation, in Liquidation

KEY INFORMATION

- As of May 2, 2023, Southland National Insurance Corporation (“SNIC”) is in liquidation.
- The state Life and Health Insurance Guaranty Associations will provide coverage for all SNIC policyholders residing in the United States, subject to the statutory limitations in their enabling acts.
- The Guaranty Associations have contracted with Universal Fidelity Life Insurance Company (“UFLIC”) and Southland Benefits Solutions (“SBS”), both of which administered certain SNIC insurance policies while SNIC was in rehabilitation, to continue to administer certain SNIC insurance policies.
- To be eligible for Guaranty Association coverage, policyholders must continue paying their policy premiums in full and on time.
- The process used for premium payments, claim submissions, and questions regarding SNIC insurance policies will continue through either UFLIC or SBS, depending on the policy.
- Policyholders covered by Guaranty Associations do NOT need to file a proof of claim at this time. Policyholders with claims or portions of claims under insurance policies not covered by Guaranty Associations (“Uncovered Obligations”) will be notified of their claim against the estate.

General Information

1. What is the current status of SNIC?

Effective as of May 2, 2023, SNIC was placed in liquidation by order of the Superior Court of Wake County, North Carolina.

2. What will happen to a SNIC insurance policy now that SNIC is being liquidated and state Guaranty Associations are involved?

The life and health insurance Guaranty Associations of each state will generally provide coverage and pay claims, pursuant to each state’s law, up to the policy limit, if that limit is lower than the Guaranty Association statutory limit, or the Guaranty Association statutory limit. The Guaranty Associations have entered into contracts with UFLIC and SBS to collect premiums and manage the policies and claims.

Life and Health Insurance Guaranty Associations

3. What is a Life and Health Insurance Guaranty Association?

Every state (including the District of Columbia and Puerto Rico) has a life and health insurance Guaranty Association to protect resident policyholders of its state. Most insurance companies licensed to write life and health insurance or annuities in a state are members of the state's life and health insurance Guaranty Association. Based on state laws, the Guaranty Association generally provides continuing benefits when a member life or health insurance company is found to be insolvent and is ordered into liquidation by a court.

4. What is the National Organization of Life and Health Insurance Guaranty Associations ("NOLHGA")?

NOLHGA is a voluntary association made up of the life and health insurance Guaranty Associations of all 50 states and the District of Columbia. Since NOLHGA's creation in 1983, NOLHGA has assisted its member Guaranty Associations in guaranteeing more than \$25.8 billion in coverage benefits for policyholders and annuitants of insolvent member companies. In that time, the Guaranty Associations have protected more than 2.85 million policyholders associated with more than 100 multi-state insolvencies.

5. When do Guaranty Associations take over coverage under the policies?

Guaranty associations typically begin providing coverage on the effective date of a court's liquidation order with a finding of insolvency.

6. Which Guaranty Association will protect me? Does it matter where I live?

Yes, it does matter. Typically, Guaranty Association protection is provided by the Guaranty Association in the policy owner's state of residence as of the liquidation date. If the company was not licensed in the policy owner's state of residence, coverage will be provided by the Guaranty Association in North Carolina, where SNIC was domiciled.

7. Are Guaranty Association laws identical in all states?

Most state Guaranty Association laws are based on a model act of the National Association of Insurance Commissioners (NAIC). However, there can be variations from state to state.

8. Will the Guaranty Association pay a life insurance policy's benefits in full?

Most state Guaranty Associations provide up to \$300,000 in protection for life insurance death benefits and \$100,000 for life insurance policy net cash values. However, a few states have higher coverage limits, and other statutory limitations may apply. Benefits paid by SNIC prior to SNIC being placed in liquidation do not count against the Guaranty Association's statutory coverage limits but will be applied in determining the remaining benefits available under the policy.

9. Will policyholder dividends or other discretionary interest payments still be made?

No, Guaranty Associations do not provide coverage for policy dividends or any discretionary interest payments post liquidation.

10.If policy benefits are higher than the guaranty association coverage limits, does a policy owner lose the difference in coverage?

Not necessarily. Policy benefits on the date of liquidation that exceed the Guaranty Association coverage limit will become claims against the insolvent estate and may receive a distribution, subject to North Carolina law and applicable orders of the court.

11.What if someone has a SNIC policy that is not a life insurance policy?

SNIC primarily issued life insurance policies, but it also issued a very limited number of annuity and health insurance policies. Those policies are also covered by the Guaranty Associations but may have different coverage limits. Most state Guaranty Associations provide up to \$250,000 in present value of annuity benefits, including net cash surrender/withdrawal values; and \$100,000 for the type of health insurance policies issued by SNIC. However, a few states have different coverage limits, and other statutory limitations may apply. Additionally, Guaranty Association coverage may include an interest rate adjustment based on certain statutory exclusions.

Information on Premiums, Claims, and Benefits

12.Should policyholders keep paying premiums?

Yes. Failure to pay policy premiums in full and on time may cause your policy to terminate, and you will lose your benefits, including Guaranty Association coverage.

13. Is there any change to the premium payment process?

Yes. Policy owners will receive letters explaining whether UFLIC or SBS will be administering their policy and the process to pay premiums. That process will be as follows:

For policies administered by UFLIC

- ***Automatic Bank Drafts:*** If your premiums are paid through an automatic bank draft, your premiums will be withdrawn by BancFirst and will show “Universal Fidelity Life Ins. Co.” as the entity withdrawing the premium.
- ***Mailed Payments:*** If you pay your premiums by check, premium payments should be mailed to:

Universal Fidelity Life Insurance Company
PO Box 1626
Duncan, OK 73534-1626

Premium checks must be made payable to “Universal Fidelity Life Ins. Co.”

For policies currently administered by SBS

Southland Benefit Solutions
PO Box 1520
Tuscaloosa AL 35403-1520

- ***Automatic Bank Drafts:*** If your premiums are paid through an automatic bank draft, your premiums will continue to be deducted from your bank account based on your existing agreement and will show the name “Regions Bank” as the entity withdrawing the premium.
- ***Mailed Payments:*** If you pay your premiums by check, premium payments should be mailed to:

Southland Benefits Solutions
P O Box 1520
Tuscaloosa AL 35403-1520

Premium checks must be made payable to “Southland National Insurance Corporation”.

Important note: To be eligible for Guaranty Association coverage, a policy owner must continue paying their policy premiums in full and on time. Failure to pay applicable premiums on time may cause the policy to terminate and the policy owner to lose Guaranty Association coverage protection.

14. Where should a SNIC policy owner submit a claim?

For policies administered by UFLIC

- File a new claim or ask questions about the claim process:

Call 833-452-4240

Monday – Thursday, 8:30 a.m. – 4:30 p.m. Central Time

Friday, 8:30 a.m. – 3:00 p.m. Central Time

Customer Service Fax: 833-452-4241

- Submit claim information:

Universal Fidelity Life Insurance Company

PO Box 1626

Duncan, OK 73534-1626

Claims Fax: 833-452-4241

For policies administered by SBS

- File a new claim or ask questions about the claim process:

Call 1-205-345-7410

Monday – Friday, 8:00 a.m. – 5:00 p.m. Central Time

Customer Service Fax: 205-588-4338

- Submit claim information:

Southland Benefit Solutions

PO Box 1520

Tuscaloosa, AL 35403-1520

Claims Fax: 205-588-4338

15. When will claims be paid?

Claims covered by the Guaranty associations should be paid in approximately 3-4 weeks after all forms have been received and processing is completed.

16. What additional forms are required when filing a claim?

An Assignment and Release Form must be completed for any death claim, surrender, partial withdrawal, or policy loan payment and returned before any payment can be received. UFLIC and SBS will provide the applicable form upon notice of a claim request.

Contact Information

17. Who can answer questions about SNIC policies or claims?

Policy owners may contact UFLIC's customer service at 833-452-4240.

Policy owners may contact SBS's customer service at 205-345-7410.

18. Who can answer questions about Guaranty Association coverage?

The Guaranty Association in a policy owner's state of residence can answer questions about coverage. Contact information for any Guaranty Association can be obtained by calling UFLIC's customer service at 833-452-4240 or SBS's customer service at 205-345-7410, or on NOLHGA's website <http://www.nolhga.com/policyholderinfo/main.cfm>.

19. Who can answer questions about the SNIC liquidation?

Special Deputy Rehabilitator

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