

2015/08/10

OBJECTS AND REASONS

This Bill would make provision for the Government of Barbados, with the approval of Parliament, to give certain guarantees that would facilitate the preservation of investments made by policyholders of CLICO International Life Insurance Ltd.

Arrangement of Sections

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BARBADOS

A Bill entitled

An Act to make provision for the Government of Barbados, with the approval of Parliament, to give certain guarantees that would facilitate the preservation of investments made by policyholders of CLICO International Life Insurance Ltd.

ENACTED by the Parliament of Barbados as follows:

Short title

1. This Act may be cited as the *CLICO International Life Insurance Ltd. (Guarantee) Act, 2015*.

Interpretation

2. In this Act,

“demand note” means a note issued under section 5;

“life insurance business” has the meaning assigned to it by the *Insurance Act*, Cap. 310; and

“statutory fund” has the meaning assigned to it by the *Insurance Act*, Cap. 310.

Purpose

3.(1) The purpose of this Act is to enable the Government of Barbados, with the approval of Parliament, to give certain guarantees which would facilitate the preservation of investments made by policyholders of CLICO International Life Insurance Ltd., a company incorporated under the *Companies Act*, Cap. 308 which has not been able to continue its life insurance business since 2009.

(2) The purpose set out in subsection (1) shall be facilitated by charging the New Life Investment Company Inc., a company incorporated under the *Companies Act*, Cap. 308 and wholly owned by the Government of Barbados, with the responsibility of

- (a) issuing bonds guaranteed by the Government of Barbados to CLICO International Life Insurance Ltd. for the purpose of transferring the real estate assets of CLICO International Life Insurance Ltd. to New Life Investment Company Inc.;
- (b) holding and managing the transferred real estate assets of CLICO International Life Insurance Ltd. in Barbados;

- (c) facilitating the transfer of funds to finance the operational requirements of the Resolution Life Assurance Company Ltd., a company incorporated under the *Companies Act*, Cap. 308, charged with the responsibility of conducting the life insurance business of CLICO International Life Insurance Ltd.; and
- (d) establishing the Resolution Life Assurance Company Ltd. and overseeing the management and operation of that company.

Guarantee of bonds

4.(1) The Government may, by a resolution of both Houses of Parliament, guarantee the payment of principal and interest due in respect of bonds issued by New Life Investment Company Inc. to CLICO International Life Insurance Ltd. for an amount not exceeding \$65 million for the purpose of transferring the real estate assets of CLICO International Life Insurance Ltd. in Barbados to New Life Investment Company Inc.

(2) A guarantee given under subsection (1) shall be signed by the Minister responsible for Finance or any person authorised in writing by the Minister.

Demand note

5. The Government may, by a resolution of both Houses of Parliament, issue a demand note to Resolution Life Assurance Company Ltd. for an amount not exceeding \$215 million which shall be paid into the statutory fund of Resolution Life Assurance Company Ltd.

Guarantee of payments

6.(1) The Government may, by a resolution of both Houses of Parliament, guarantee the monthly payment of the principal and interest due on the restructured 10 year fixed annuities of the Executive Flexible Premium Annuity policyholders listed on the Barbados register of CLICO International Life Insurance Ltd. should the operating cash flow of Resolution Life Assurance Company Ltd. be insufficient.

(2) A guarantee given under subsection (1) shall be signed by the Minister responsible for Finance or any person authorised in writing by the Minister.

Read three times and passed the House of Assembly this
day of _____, 2015.

Speaker

Read three times and passed the Senate this _____ day of
, 2015.

President