

Columbian Mutual Life Insurance Company Notice to Employees

On July 10, 2024, the Superintendent of the New York Department of Financial Services filed a petition with the New York State Supreme Court requesting that the Court place Columbian Mutual Life Insurance Company (“Columbian Mutual” or “the Company”) into rehabilitation due to the company’s financial condition.

Upon entry of the Rehabilitation Order, the Superintendent will commence a review of the company’s financial condition, and if possible, will develop a plan to return the Company to financial health.

You will continue to work for and be compensated by Columbian Mutual in the same manner as you were prior to rehabilitation. Human Resources will work to retain the personnel necessary to maintain the Company’s operations.

We understand that you may have a number of questions regarding the situation. Please review the below FAQ for additional details and contact Human Resources for additional information.

Further information about the Petition and the Return Date may be found at the Legal and Estate Notices page of the New York Liquidation Bureau Website www.NYLB.org. To speak with someone about the rehabilitation, you can email CMInquiry@NYLB.org or call 212-341-6728.

What is rehabilitation?

Rehabilitation is a court proceeding authorized under Insurance Law Section 7403 in which the Superintendent takes possession of an insurance company and continues its operations. The goal of a rehabilitation proceeding is to determine whether the factors that gave rise to the court proceeding can be removed so that the Company may return to the market as a financially healthy insurance company.

Upon entry of the Rehabilitation Order, the Superintendent will commence a review of the Company’s financial condition, and if possible, will develop a plan to return the Company to financial health. It is not possible to give precise timeframes, but review and implementation of a potential rehabilitation plan will be a priority for both the Superintendent and the Court.

What will happen if the Company cannot be restored to financial health in rehabilitation?

Under Insurance Law Section 7403(c), if the Superintendent concludes that further efforts to rehabilitate the Company would be futile, she may apply to the court to liquidate the Company. A motion to liquidate the Company would be on notice to all policyholders and creditors and provide an opportunity to be heard in court. However, in the event that liquidation of the Company is necessary, the Company’s policies are backed by the life and health guaranty associations of the states in which the policies were issued. In the event of a liquidation of the Company, the applicable guaranty association would step in and honor the policy up to its statutory cap. For policies issued in New York, that means up to \$500,000 in benefits are fully protected.

How will rehabilitation affect Columbian Mutual policies?

There will be no change to Columbian Mutual policies. All policy terms will be honored in rehabilitation. The Company will continue to pay claims as they come due in the ordinary course.

How long will the rehabilitation proceeding last?

It is not possible to provide a precise time frame, but the Superintendent will prioritize the evaluation of the Company's financial health and determine whether a reorganization, restructuring, strategic transaction or other measure can be proposed that would permit the Company to emerge from rehabilitation subject to the Court's approval.

How do I receive more information?

You can find additional information on the Legal and Estates Notices page of the New York Liquidation Bureau's website, www.NYLB.org. To speak with someone about the rehabilitation, you can email CMLinquiry@NYLB.org or call 212-341-6728.