



GOVERNMENT OF BERMUDA

The Ministry of Economic Development

Official Receiver

FOR IMMEDIATE RELEASE

June 21, 2013

**IN THE MATTER OF BRITISH AMERICAN INSURANCE COMPANY LIMITED
(provisional liquidator appointed)**

The Official Receiver, in his capacity as provisional liquidator of British American, can confirm that a sale of the building previously housing the offices of British American has now been completed.

Given the prevailing market conditions, completing a sale of the building has taken a considerable period of time and for a price considerably lower than the original valuation of the building of \$3.8m, when the liquidation of British American commenced. Following an extensive sales process and negotiations with potential purchasers, an offer was received and accepted, resulting in Bram-ber Holdings Limited, the Company which owned the building, receiving net proceeds of \$1.628m.

British American holds a 40% interest in Bram-ber Holdings Limited and will receive its share of the proceeds, currently estimated to be \$650,000, following the liquidation of Bram-ber. The liquidation of Bram-ber is expected to take up to two months, following which the funds received by British American will be available for distribution to Scheme Creditors. Based on this timeline, it is expected that cheques representing final distribution payments will be sent out to Scheme Creditors during August 2013.

The sale of the building for less than originally forecast will have a significant impact on the funds available for a final distribution to Scheme Creditors. Based on current estimates, the final distribution to creditors under the Scheme of Arrangement will be in the region of 2.5 to 3 cents on each \$1 dollar of a Scheme Creditor's previously agreed claim. The first distribution of 35 cents on the dollar was paid in December 2011. After payment of this second distribution, Scheme Creditors will have received a total of approximately 38 cents on the dollar.

The Official Receiver will provide a report with the final distribution cheques, providing a summary of the conduct of the liquidation of the Bermuda branch of British American. This report will include details of the assets realized and distributed to Scheme Creditors, the expenses incurred during the liquidation and



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append a document providing answers to questions frequently asked by Scheme Creditors.

The Official Receiver is taking steps to finalize arrangements with the Judicial Manager of British American in the Bahamas to allow for the completion of the liquidation of the Bermuda branch. This is not expected to delay the payment of final distributions to Bermuda Scheme Creditors.

The terms of the Scheme of Arrangement require the Official Receiver to make payments by cheque. Cheques will be mailed to each Scheme Creditor's last known address. In order to ensure that we have your up-to-date address on file, if you have moved address since the first distribution in December 2011, we request that you call the British American hotline (294-2651) to update your address on record.

The Official Receiver is conscious of the fact that there is a cost associated with cashing cheques in Bermuda. As a result Scheme Creditors will be given the opportunity to return their cheques and request that their distribution be paid by on-line transfer upon providing the necessary information. Details of what action is required by Scheme Creditors to take up this option will be included in the envelope containing your cheque.

Stephen Lowe, the Official Receiver commented "I am pleased that we have now been able to complete a sale of the building, and we can commence preparations to pay final distributions to Scheme Creditors. Unfortunately, due to market conditions, the final sale price of the building was much lower than originally expected and this will mean that the final distribution available to Scheme Creditors will be less than we had hoped. I am grateful for the continued patience exhibited by Scheme Creditors during this process and look forward to bringing this difficult matter to a close."

Policyholders or Creditors can obtain further information with regard to British American by emailing infoba@kpmg.bm or by calling the British American hotline on 294-2651.