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GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES  
LANSING

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DIRECTOR

### Pavonia Life Insurance Company of Michigan Rehabilitation Information

On July 9, 2019, Ingham County Circuit Court Judge Wanda M. Stokes (the “Court”) issued a Rehabilitation Order placing Pavonia Life Insurance Company of Michigan (“Pavonia Life” or the “Company”), including its wholly-owned subsidiary Global Bankers Insurance Group, LLC, into Rehabilitation. By law, the Rehabilitation Order names the Director of the Michigan Department of Insurance and Financial Services (“DIFS”) as the Company’s Rehabilitator. The Court entered the Rehabilitation Order with the consent of Pavonia Life’s Board of Directors.

Rehabilitation is a corporate reorganization under Chapter 81 of the Michigan Insurance Code that is conducted under the Court’s supervision. The Rehabilitation Order allows DIFS to ascertain Pavonia Life’s financial condition and implement steps to protect Pavonia Life’s policyholders and creditors. In this case, it is expected that these steps will include submitting a plan of rehabilitation for approval by the Court under which the Company will be sold to a non-affiliated party, Aspida Holdco LLC, a Delaware holding company that is an affiliate of ARES Management Corporation.

The Director of DIFS has appointed James Gerber, Janice Sylvertooth, and Julieanne Gulliver as Special Deputy Rehabilitators. If you are a policyholder or insured of Pavonia Life and need information about your policy, please call Pavonia Life customer service toll-free at 1-800-323-1317, Hours: M – F, 8:30 am - 6:00 pm Eastern Time. You can also e-mail your inquiry to [Us.policy.admin@pavonia-life.com](mailto:Us.policy.admin@pavonia-life.com). If you have questions regarding the rehabilitation process, you can contact Special Deputy Rehabilitator James Gerber at 517-918-6236.

**Please note:** The Rehabilitation Order enjoins and prohibits all Creditors of Pavonia Life (as that term is defined in the Rehabilitation Order) from instituting or continuing to prosecute any actions or proceedings to determine, enforce, collect, or assert any claims against Pavonia Life, its assets, policyholders, officers, directors, or employees.

**Information for Policyholders, Insureds, Annuitants, and Reinsurance Counterparties (including Cedents and Reinsurers or Retrocessionaires):**

As a policyholder, insured, annuitant, or other contractholder of Pavonia Life, you will continue to receive insurance coverage under your policy and Pavonia Life will continue to pay for any covered policy or contract benefits and/or losses according to the terms of your policy or contract and the Company's normal claim processing procedures.

You will continue to be billed for renewal premiums as long as your policy or contract is effective with Pavonia Life, and you must pay those renewal premiums according to your policy or contract terms.

***Pavonia Life policyholders, insureds, annuitants, and other contractholders having claims for covered policy or contract benefits and/or losses are excluded from the rehabilitation's Proof of Claim process and do not need to file a Proof of Claim in the Pavonia Life rehabilitation.***

**Information for Insurance Agents:**

As a licensed insurance agent of Pavonia Life, you will receive payment in the ordinary course of business for all commissions earned prior to the date of the Rehabilitation Order (July 9, 2019), provided that Pavonia Life has not formally disputed such payment. You will also continue to receive payment in the ordinary course of business for all commissions earned on or after the date of the Rehabilitation Order, provided that Pavonia Life does not formally dispute such payment.

At this time, Pavonia Life is not accepting new business, consequently agents should not accept any applications from new customers for any type of Pavonia Life policy. Pavonia Life continues to accept policy renewals from existing policyholders and related reinsurance extensions.

***If Pavonia Life has not formally disputed your claim for commission payments:***

- (1) Pavonia Life will continue to pay in the ordinary course of business your earned commissions as an agent;***
- (2) Your claim for earned commissions as an agent is excluded from the rehabilitation's Proof of Claim process; and***
- (3) You do not need to file a Proof of Claim in the Pavonia Life rehabilitation for your earned commissions as an agent.***

***If Pavonia Life has formally disputed your claim for commission payments, you must file a Proof of Claim in the Pavonia Life rehabilitation.***

**Information for Vendors:**

As a vendor to Pavonia Life, you will receive payment in the ordinary course of business for all goods and services that you provided to Pavonia Life prior to the date of the Rehabilitation Order (July 9, 2019), provided that Pavonia Life has not formally disputed such payment. You will also continue to receive payment in the ordinary course of business for all goods and services that you provide to Pavonia Life on or after the date of the Rehabilitation Order, provided that Pavonia Life does not formally dispute such payment.

***If Pavonia Life has not formally disputed your vendor payment claim:***

- (1) Pavonia Life will continue to pay in the ordinary course of business for all goods and services that you provide to the Company;***
- (2) Your vendor payment claim is excluded from the rehabilitation's Proof of Claim process; and***
- (3) You do not need to file a Proof of Claim in the Pavonia Life rehabilitation for your vendor payment claim.***

***If Pavonia Life has formally disputed your vendor payment claim, you must file a Proof of Claim in the Pavonia Life rehabilitation.***

**Information for Other Potential Creditors:**

If you are not a Pavonia Life policyholder, insured, annuitant, reinsurance counterparty, insurance agent, vendor, or other contractholder, and you believe you have a claim for payment from Pavonia Life, you are subject to the rehabilitation's Proof of Claim process and must file a Proof of Claim in the Pavonia Life rehabilitation.

**Proof of Claim Information and DIFS Website**

Holders of potential claims against Pavonia Life that are subject to the rehabilitation's Proof of Claim process will be advised of the specific procedures to submit their claims to the rehabilitation estate.

To obtain a complete copy of the Rehabilitation Order, check the status of the Proof of Claim process, or otherwise monitor the Pavonia Life rehabilitation, you can visit the DIFS website at [www.michigan.gov/difs](http://www.michigan.gov/difs), then click on "Who We Regulate," then "Receiverships," then "Pavonia Life Insurance."