

**SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**



IN THE MATTER OF
CONFEDERATION LIFE INSURANCE COMPANY

AND IN THE MATTER OF THE
INSURANCE COMPANIES ACT, S.C. 1991, AS AMENDED

AND IN THE MATTER OF THE
WINDING-UP ACT, R.S.C. 1985, C. W-11, AS AMENDED

B E T W E E N:

THE ATTORNEY GENERAL OF CANADA

Applicant

- and -

CONFEDERATION LIFE INSURANCE COMPANY

Respondent

**REPORT OF KPMG INC., THE LIQUIDATOR OF
CONFEDERATION LIFE INSURANCE COMPANY**

November 30, 1999

**SUPERIOR COURT OF JUSTICE
- COMMERCIAL LIST**

IN THE MATTER OF
CONFEDERATION LIFE INSURANCE COMPANY

AND IN THE MATTER OF THE
INSURANCE COMPANIES ACT, S.C. 1991, AS AMENDED

AND IN THE MATTER OF THE
WINDING-UP ACT, R.S.C. 1985, C. W-11, AS AMENDED

B E T W E E N:

THE ATTORNEY GENERAL OF CANADA

Applicant

- and -

CONFEDERATION LIFE INSURANCE COMPANY

Respondent

**REPORT OF KPMG INC., THE LIQUIDATOR OF
CONFEDERATION LIFE INSURANCE COMPANY**

November 30 , 1999

I. NATURE OF THE MOTION

1. This Report is respectfully filed in support of a motion by KPMG Inc., the liquidator (the "Liquidator") of Confederation Life Insurance Company ("Confed") for an Order amending the order of the Honourable Mr. Justice Blair dated October 7, 1999 (the "Directions Order") *nunc pro tunc* by:

- (a) extending the time for publication of a notice in those newspapers listed in Schedule "C" attached hereto; and

- (b) extending the date fixed on or within which the following shall send in their claims:
 - (i) persons, wherever located, with debt or other claims against Confed in existence on August 12, 1994, whether certain or contingent, liquidated or unliquidated (the “Ordinary Creditors”), provided that such claims are not claims under policies of insurance and are not subordinated by their terms to all other indebtedness of Confed; and
 - (ii) policyholders who held Confed policies on August 12, 1994, other than policyholders whose policies were issued by the United Kingdom, Cuban or United States branches of Confed, who assert that the claims under their policies have not been fully satisfied or recognized through the assumption of their policies by another insurer or payments made by, or in the process of being made by, the Liquidator (the “Additional Policyholder Claims”).

2. Attached hereto as Schedule “A” is a copy of the Directions Order. The Directions Order directed that:

- (a) the Liquidator send by ordinary mail on or before October 20, 1999 a proof of claim and instruction sheet substantially in the form attached as Schedule “A” to the Directions Order (the “Proof of Claim”) to the Ordinary Creditors at their last known address as set out in the books and records of Confed;
- (b) the Liquidator publish a notice in substantially the form attached as Schedule “B” to the Directions Order (the “Notice”), on one occasion between the dates of October 13, 1999 and October 22, 1999, inclusive, in each of the newspapers and languages set out in Schedule “C” attached to the Directions Order;

(c) December 20, 1999 be fixed as the last day on or before which Ordinary Creditors and policyholders asserting Additional Policyholder Claims must file their Proofs of Claim with the Liquidator; and

(d) Susan Rowland be appointed as representative counsel (the "Representative Counsel") to represent the interests of Confed's retiree employees, their spouses and dependent children who were entitled to medical benefits, dental benefits and life insurance as of August 12, 1994 (collectively, the "Retirees"), for the purposes of preparing and proving their claims in respect of such benefits.

3. Attached hereto as Schedule "B" is a copy of the affidavit of mailing of the Proof of Claim to the Ordinary Creditors in accordance with the Directions Order.

4. The Liquidator has been advised by the advertising placement agency retained by the Liquidator that, by error, the Notice was not published in a number of newspapers within the required time period under the Directions Order. The newspapers in which the Notice did not appear by October 22, 1999 are set out in Schedule "C" attached hereto.

5. The Liquidator has been in contact with the Representative Counsel and advised her of the fact that the Notice was not published in a number of newspapers within the time period required under the Directions Order.

6. The Representative Counsel has advised the Liquidator that, as authorized by the Directions Order, she has retained actuarial advice to assist with the calculations required to prepare the Proofs of Claim for the Retirees. The Representative Counsel and her advisors are in the process of obtaining and analyzing data relating to the Retirees and their benefits. However, the data dates back to the early 1950's and, in some cases, is only contained in micro fiche or tape form, which is difficult to identify, read and analyze. The Representative Counsel has,

therefore, requested that the date fixed for the filing of Proofs of Claim be extended to January 31, 2000 in order to ensure that all available data can be properly processed and analyzed. The Liquidator is agreeable to doing so.

7. The Liquidator, therefore, respectfully requests an order amending the Directions Order *nunc pro tunc* by:

- (a) extending the last day for publication of the Notice in those newspapers listed in Schedule "C" attached hereto to November 18, 1999; and
- (b) fixing January 31, 2000 as the last day on or before which Ordinary Creditors and policyholders asserting Additional Policyholder Claims must file their Proofs of Claim with the Liquidator.

8. The Liquidator recommends that service of the Notice of Motion and supporting materials herein be made on the Canadian Life and Health Compensation Corporation, on counsel for The Chase Manhattan Bank and on the Representative Counsel, being

the only parties who appeared at the hearing of the original motion, and that further service of the motion herein be dispensed with.

ALL OF WHICH IS RESPECTFULLY SUBMITTED

KPMG INC., the Liquidator of Confederation Life
Insurance Company

Per: _____
Robert O. Sanderson, President

CONFEDERATION LIFE INSURANCE COMPANY, IN LIQUIDATION WEBSITE LEGAL DISCLAIMER

This website (the "Site") contains legal documents pertaining to the windup of Confederation Life Insurance Company. This Site is presented as a public service for informational purposes only by Confederation Life Insurance Company by its Liquidator, KPMG Inc. (the "Liquidator"). KPMG LLP is not the Liquidator and has no responsibility for the contents of this Site. WARNING: Transmissions to the Site are not protected and no confidentiality will be maintained with respect thereto. Transmissions to the Site are made at the sender's risk.

This Site is not an official reporter, and the Liquidator does not guarantee that all information is error free, complete, or accurate. The Site does not purport to provide complete records of all litigation and legal documentation pertaining to Confederation Life Insurance Company, in Liquidation. The Site contains no legal advice and nothing herein shall be taken, implied or construed as an offer to provide, or a provision of, legal advice. The Liquidator may change, modify, suspend, or discontinue the Site at any time without notice.

Based on the fundamental universal condition of the electronic communication process, the Liquidator does not guarantee or warrant the Site will be uninterrupted, without delay, error-free, omission-free, or free of viruses. Therefore, the information is provided "as is" without warranties of any kind, express or implied, including accuracy, timeliness and completeness. In no event shall the Liquidator, its employees, agents, consultants, legal counsel, contractors, or affiliates be liable for any direct, indirect, incidental, special, exemplary, punitive, consequential or other damages whatsoever (including, but not limited to, liability for loss of use, data or profits), without regard to the form of any action, including but not limited to contract, negligence or other tortious actions, arising out of or in connection with the Site, any content on or accessed by use of the Site, or any copying, display or other use hereof.

External links are provided on the Site as aids to help you identify and locate other sources of information that may be of interest, and are not intended to state or imply that the Liquidator endorses, sponsors, is affiliated or associated with or is legally authorized to use any trade name, registered trademark, logo, legal or official seal, or copyrighted symbol that may be reflected in the links. In no event shall the Liquidator, its employees, agents, consultants, legal counsel, contractors, or affiliates accept responsibility for the accuracy of the link, the accuracy or completeness of any information obtained through any link. The Liquidator further warns against reliance on any information contained therein and further disclaims any knowledge or information as to the truth or accuracy of the information contained therein.

The Site is controlled by the Liquidator from its offices within the Province of Ontario, Canada. By accessing the Site, you and the Liquidator agree that all matters relating to access to, or use of the Site shall be governed by the laws of the Province of Ontario and the laws of Canada applicable therein, without regard to the conflicts of laws principals thereof. You and the Liquidator also agree and hereby submit to the exclusive personal jurisdiction and venue of the courts of the Province of Ontario with respect to such matters.