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CBL subsidiary in Luxembourg fined €5,000 – being appealed

CBL Corporation Limited (CBL), announced today that its 71% owned subsidiary, Securities & Financial Solutions SA (SFS) based in Luxembourg, has been issued with a fine of €5,000 (~NZD\$8,500) by Commissariat aux Assurances (CAA), the insurance regulator in Luxembourg, after determining that SFS has been operating outside certain aspects of its insurance authority.

In making its decision, the CAA has granted SFS the right to appeal it, and after taking appropriate legal advice, SFS is doing so. SFS believes that the decision is incorrect, and inconsistent with other European jurisdictions. The appeal is being filed on 3rd January 2018 and is expected to be heard in January.

In the meantime, and until the appeal has been heard, SFS has made arrangements to continue its operations under alternative licensing arrangements it has in place with its insurers (including CBL subsidiary CBL Insurance Europe DAC, Dublin).

Apart from increased pressure from competitors emboldened with the news, SFS does not believe the change in operating procedures will materially affect its operating revenues for FY17 or FY18.

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About CBL

CBL Corporation Limited (CBL) is a specialist insurer and reinsurer focused on credit and financial risk. CBL has eight offices spread across 25 countries and almost 550 employees. The company has been operating for 44 years, and is listed on the ASX and the NZX Main Board. CBL's main operating subsidiary is CBL Insurance Limited, which is a New Zealand licensed non-life insurer supervised and regulated by the Reserve Bank of New Zealand.

CBL also has a number of wholly owned subsidiary companies including CBL Insurance Europe, which is a regulated insurer in Ireland, Assetinsure, an Australian licensed non-life insurer supervised and regulated by Australian Prudential Regulation Authority, European Insurance Services Limited, a managing general agency (MGA) in Tunbridge Wells in the United Kingdom, Securities & Financial Solutions a managing general agency (MGA) in France and Professional Fee Protection, UKs leading fee protection provider offering expertise and market-leading support to help accountancy practices strengthen their client relationships and grow their revenue.

CBL specialises in writing building and construction related credit and financial surety insurance, bonding and reinsurance. CBL Insurance currently has a Financial Strength Rating of A- (Excellent) and an issuer rating of a-, with both outlooks 'Stable', from A.M. Best Ratings Agency.

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To know more about CBL Group, visit our corporate website www.cblcorporation.com

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