

EXHIBIT 3

UNIVERSAL

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Universal Life Insurance Company
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January 16, 2020

Private Bankers Life & Annuity Co., Ltd.
90 Pitt Bay Rd
Wellesley House South 2nd Floor
Hamilton, Bermuda HM 12
Attention: Scott Boug

Re: Notice of Breach

Dear Mr. Boug:

Reference is made to the Coinsurance Reinsurance Agreement (the "Reinsurance Agreement"), dated June 30, 2017, by and between Universal Life Insurance Company ("ULICO") and PB Life and Annuity Co. Ltd. (f/k/a Private Bankers Life and Annuity Co., Ltd.) ("PBLA"). Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Reinsurance Agreement.

Notice is hereby given that PBLA is not currently in compliance with the requirements of the Reinsurance Agreement relating to the percentage of Qualifying Trust Assets which may be comprised of the corporate debt of entities affiliated with PBLA (the "Breach"). Section 4.2(a) of the Reinsurance Agreement requires, in relevant part, that "collateral with an aggregate Fair Market Value equal to one hundred and two percent (102%) of Statutory Reserves will be held within the Reinsurance Trust Account in accordance with Article 11 of Rule 98 of the Insurance Code of Puerto Rico." Article 11(D)(1)(b) of Rule 98 required that "investments in or issued by an entity controlling, controlled by or under common control with either the grantor or the beneficiary of the [Reinsurance Trust Account] shall not exceed ten percent (10%) of total investments."¹ As of this date, over sixty five percent (65%) of the assets held in the Reinsurance Trust Account are loan obligations of PBLA's affiliated entities. Therefore, PBLA is in violation of both Section 4.2(a) of the Reinsurance Agreement and also in breach of Rule 98 of the Insurance Code of Puerto Rico.

ULICO demands that PBLA cure the Breach immediately but in no event less than ten (10) Business Days from the receipt of this letter. While ULICO is prepared to communicate with PBLA as to the manner in which a cure of the Breach may be accomplished, ULICO is not prepared to accept any delay in PBLA effecting a cure.

¹ It should be noted that the provisions of former Article 11(D)(1)(b) of Rule 98 are now covered by Article 7(B)(13) of Rule 98 and the limitation on the investments has been reduced from ten percent (10%) to five percent (5%).



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Nothing contained in this letter shall be construed as a waiver or modification of any rights, powers, privileges and remedies that ULICO may have, in law or equity, including ULICO's contractual right to initiate arbitration against PBLA in Puerto Rico.

Yours sincerely,

Universal Life Insurance Company

A handwritten signature in black ink, appearing to read "José Benítez", written over a horizontal line.

By: José Benítez
Title: President