

SUMMARY OF THE SCHEMES

1. Introduction

1.1 Zurich International Life Limited (**ZILL**) is proposing to transfer all of the long term (life insurance) business carried on by its Singapore branch (**Transferring Business**) to Monument International Life Assurance Company Limited (**MILAC**) acting through its Singapore branch by way of court approved schemes in the Isle of Man and Singapore (together the **Schemes**).

1.2 This document sets out a summary of the Schemes. Full details of the Schemes can be found on the websites of ZILL and MILAC at www.zurich.com.sg/businesstransfer and www.monumentregroup.com/transfers.

2. Background of ZILL and MILAC

2.1 ZILL is a company incorporated in the Isle of Man with company number 020126C, having its registered office at Zurich House, Isle of Man Business Park, Douglas, IM2 2QZ. ZILL is authorised by the Isle of Man Financial Services Authority (**IoMFSA**) under section 8 of the Isle of Man Insurance Act 2008 (**IoM Act**). ZILL carries on business in Singapore through its branch which is licensed by the Monetary Authority of Singapore (**MAS**) pursuant to section 11 of the Singapore Insurance Act 1966 (**Singapore Act**). The Singapore branch of ZILL is closed to new business and the Transferring Business has been in run-off with effect from December 2015.

2.2 MILAC is a company incorporated in the Isle of Man with company number 027082C, having its registered office at 2nd Floor, St. George's Court, Upper Church Street, Douglas, Isle of Man IM1 1EE. MILAC is authorised by the IoMFSA under section 8 of the IoM Act. [MILAC carries on business in Singapore through its branch which is licensed by the MAS pursuant to section 11 of the Singapore Act.]

3. Process and Timings of the Schemes

3.1 If approved by the Isle of Man High Court of Justice (**IoM Court**), the Isle of Man scheme (**IoM Scheme**) will be made pursuant to section 21 of, and Schedule 2 to, the IoM Act.

3.2 If approved by the MAS and the High Court of Singapore (**Singapore Court**), the Singapore scheme (**Singapore Scheme**) will be made pursuant to sections 116 to 119 of the Singapore Act. The terms of the Singapore Scheme are, in all material respects, the same as the terms of the IoM Scheme.

3.3 It is intended that the Schemes will become effective at 00.01am (Isle of Man time) on **[1 September 2022]** (**Effective Time**). Any changes to this time or date will be published on the websites of ZILL and MILAC at www.zurich.com.sg/businesstransfer and www.monumentregroup.com/transfers.

3.4 If the IoM Court or the Singapore Court imposes any change or conditions to the proposed Schemes, the Schemes will not take effect unless ZILL and MILAC consent to such change or condition.

4. **Transfer of Policies**

4.1 With effect from the Effective Time, all of the long term (life insurance) policies written by the Singapore branch of ZILL (**Transferring Policies**) will be transferred to the Singapore branch of MILAC, along with other assets and liabilities which form part of the Transferring Business. This means that MILAC will then be the insurer and responsible for the Transferring Policies.

4.2 The Transferring Policies consist of term assurance policies and unit linked policies:

(a) **Term Assurance Policies** provide benefits in the event of death and critical illness or permanent and total disability. There will be no change to the benefits offered under the Term Assurance Policies.

(b) **Unit Linked Policies** provide benefits which are determined by reference to the value of underlying unit linked life funds operated by ZILL (**Unit Linked Funds**). The units of Unit Linked Funds which are attributed to the Unit Linked Policies will, in most instances, transfer to MILAC. Units in certain Unit Linked Funds and certain other invested assets held within Unit Linked Funds, which are attributed to the Unit Linked Policies, will not transfer to MILAC under the Schemes; instead their value will transfer to MILAC who will acquire units in equivalent funds, or invest in equivalent assets, for the Unit Linked Policies. Where a policyholder has appointed a fund investment advisor in respect of their Unit Linked Policy, their appointment will continue unchanged.

5. **No Changes to Policy Terms and Conditions**

5.1 There are no planned changes to the terms and conditions of the Transferring Policies except for minor consequential amendments, for example references to ZILL will become references to MILAC.

6. **Transfer of Contracts**

6.1 Agreements and contractual arrangements relating to the Transferring Policies (**Transferring Contracts**) will also be transferred from ZILL to MILAC under the Schemes. The Transferring Contracts include terms of business agreements (**TOBAs**) between ZILL and independent financial advisors:

(a) where a TOBA is governed by Isle of Man law and relates exclusively to Transferring Policies, the TOBA shall transfer to MILAC and MILAC shall acquire the rights and obligations under that TOBA from the Effective Date;

(b) where a TOBA is governed by Isle of Man law and relates both to Transferring Policies and policies issued by another branch of ZILL, the TOBA shall be varied from the

Effective Date to create: (1) a TOBA between the financial advisor and MILAC in respect of Transferring Policies; and (2) a TOBA between ZILL and the financial advisor in respect of any other policies.

6.2 There are no planned changes to the terms and conditions of the Transferring Contracts except for the splitting of TOBAs explained above and minor consequential amendments, for example references to ZILL will become references to MILAC.

7. **Claims Under the Transferring Policies**

7.1 It is intended that, from the Effective Time, all the rights and obligations arising from the Transferring Business will automatically transfer to the Singapore branch of MILAC and will no longer rest with ZILL. This means that MILAC's Singapore branch will be responsible for paying all claims and meeting all other obligations which were previously obligations of ZILL's Singapore Branch in relation to the Transferring Business.

8. **Premiums and Mandates**

8.1 From the Effective Time, all premiums payable to ZILL's Singapore branch in respect of the Transferring Policies will be payable to MILAC's Singapore branch.

8.2 From the Effective Time, any mandates or other instructions in respect of the Transferring Policies will take effect as if given to MILAC's Singapore branch.

9. **Continuity in Proceedings**

9.1 From the Effective Time, any proceedings or litigation which have been issued, served, commenced, threatened or contemplated by or against ZILL (including its Singapore branch) in connection with the Transferring Business (or any other claims or complaints which may be brought in the future against ZILL (including its Singapore branch) in respect of the Transferring Business, including those not yet in contemplation) shall be continued by or against MILAC, and MILAC (acting through its Singapore branch) shall be entitled to all defences, claims, counterclaims and rights of set-off that would have been available to ZILL (including its Singapore branch) in respect of the Transferring Business.

9.2 From the Effective Time, any judgment, settlement, order or award under current or past proceedings obtained by or against ZILL (including its Singapore branch) in relation to the Transferring Business shall be enforceable by or against MILAC (acting through its Singapore branch) in place of ZILL.

10. **Privacy and Confidentiality**

10.1 MILAC will become the data controller in respect of all personal data and corresponding consents relating to the Transferring Business.

10.2 MILAC will owe to any person the same duties of confidentiality and privacy as those which ZILL owed in relation to the Transferring Business.

11. **Residual Assets and Liabilities**

11.1 The IoM Scheme includes provisions dealing with any residual assets and liabilities that are intended to transfer but, for whatever reason, do not transfer to MILAC at the Effective Time (for example, where non-Isle of Man law requirements have not yet been met). The IoM Scheme provides that MILAC will assume responsibility for any residual liabilities and that any residual assets will be held on trust by ZILL for MILAC until they are transferred to MILAC.

12. **Costs and Expenses**

12.1 None of the costs and expenses relating to the preparation of the Schemes or the processes of the IoM Court or the Singapore Court will be borne by policyholders.

13. **Changes to the Schemes**

13.1 ZILL and MILAC can agree to amend the terms of the IoM Scheme before it is approved by the IoM Court. ZILL and MILAC can also amend the terms of the IoM Scheme (including amending the Effective Time) after the IoM Court hearing to approve the IoM Scheme provided that the IoMFSA is notified of, and provides no objection to, the proposed amendment and the IoM Court approves it. In the case of minor or technical amendments, or any amendment to correct manifest error, the amendment can be made without the approval of the IoM Court provided that the IoMFSA has been notified of, and has provided no objection to, the amendment.

13.2 ZILL's Singapore branch and MILAC's Singapore branch can agree to (subject to any potential MAS objections, where relevant) amend the terms of the Singapore Scheme before it is approved by the Singapore Court. The Singapore Court may also order certain amendments to be made to the Singapore Scheme, and if it chooses to do so, the Singapore Scheme provides that ZILL's Singapore branch and MILAC's Singapore branch are able to jointly consent in writing to such amendments, on behalf of the affected policyholders. In the case of minor or technical amendments, or any amendment to correct manifest error, the amendment can be made without the approval of the Singapore Court (subject to any potential MAS objections otherwise).