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# Summary Report of the Independent Actuary

on the Proposed Scheme to transfer certain insurance business of  
**Zurich International Life Limited (“ZILL”)**  
to  
**Monument International Life Assurance Company Limited (“MILAC”)**

Prepared by:  
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## 1 INTRODUCTION

- 1.1 An Independent Actuary's Report ("**Full Report**") has been prepared in order that the High Court of Justice of the Isle of Man, the General Division of the High Court of the Republic of Singapore, the Isle of Man Financial Services Authority ("**IOMFSA**"), the Monetary Authority of Singapore ("**MAS**"), and the policyholders and other affected parties may properly assess the impact of a proposed transfer of life insurance business ("**the Proposed Scheme**").
- 1.2 The Proposed Scheme involves the transfer of the Singapore portfolio of insurance policies ("**the Transferring Policies**") from Zurich International Life Limited ("**ZILL**") to Monument International Life Assurance Company Limited ("**MILAC**") (collectively "**the Companies**"). The insurance policies were all issued by a branch of ZILL established and regulated in Singapore ("**ZILL Singapore**").
- 1.3 Monument Re Limited ("**Monument Re**") is a Bermuda based reinsurance group with insurance subsidiaries in various European countries and the UK Crown Dependencies (Isle of Man and Guernsey). Monument Re and ZILL entered into a Transfer Agreement ("**the Transfer Agreement**") on 22 December 2020 setting out the agreed arrangements that would be entered into in order to effect the transfer of the portfolio from ZILL to an appropriate subsidiary of Monument Re.
- 1.4 Both MILAC and ZILL are authorised and regulated as insurance companies in the Isle of Man. The conduct of insurance business in the Isle of Man is regulated by the IOMFSA under the Insurance Act 2008, as amended ("**the 2008 Act**"). The 2008 Act contains a mechanism for the Isle of Man Court to sanction a scheme to transfer long term insurance business carried on by Isle of Man authorised insurers or permitholders in certain circumstances.
- 1.5 This Summary Report describes the Proposed Scheme and considers the likely effects on the Companies' policyholders including, but not limited to, the security of their benefits and their reasonable expectations. This Summary Report is a summary of the Full Report. The Full Report is available for download from the ZILL website ([www.zurich.com.sg/businesstransfer](http://www.zurich.com.sg/businesstransfer)) and the MILAC website ([www.monumentregroup.com/transfers](http://www.monumentregroup.com/transfers)).

### The role of the Independent Actuary in the transfer process

- 1.6 The Companies have instructed me to act as the Independent Actuary who is required to report to the Isle of Man Court on the terms of the Proposed Scheme, pursuant to section 21(1) of and Schedule 2 to the 2008 Act. The Full Report was shared with IOMFSA as the regulator of the Companies. The Full Report was also shared with MAS as branch regulator in Singapore and will be included in the Singapore Court process.
- 1.7 It is envisaged that the Proposed Scheme will become effective and the transfer take place at 00:01 hours on 1 November 2022, or such other date as may be agreed between ZILL and MILAC and consented to by the Courts (the "**Effective Date**"). It is anticipated that the Proposed Scheme will also be presented to the Singapore High Court in parallel with the submission dates to the Court in the Isle of Man.
- 1.8 I will prepare a Supplementary Report prior to the final Court hearings (also expected in 2022) to provide an update for the Courts on my conclusions in respect of the effect of the Proposed Scheme on the different groups of policyholders in light of any significant events subsequent to the date of the finalisation of the Full Report.

### The Independent Actuary

- 1.9 I, Mike Claffey, am a Principal of Milliman and am a consulting actuary based in the firm's Irish insurance practice at 7 Grand Canal Street Lower, Dublin 2. I am a Fellow of the Society of Actuaries in Ireland and I have more than 30 years' experience in the insurance industry, including acting as the Independent Actuary in relation to a number of previous transfers of life assurance business in Ireland. My biographical details are included in the Full Report.
- 1.10 This Independent Actuary's Report has been prepared under the terms of the guidance set out in version 2.3 (effective 1 September 2021) of ASP LA-6 ("Transfer of long-term business of an authorised insurance company – role of the independent actuary") and ASP PA-2 ("General Actuarial Practice") version 1.2 (effective 1 March 2022) issued by the Society of Actuaries in Ireland.

### Parties for whom my report has been prepared

- 1.11 The Independent Actuary's Report has been prepared for use by the Isle of Man Court and the Singapore Court in approving the Proposed Scheme but will also be of interest to the following interested parties:
  - Policyholders of ZILL and MILAC
  - The Directors and senior management of ZILL and MILAC and their parent companies

- The IOMFSA or any other governmental department or agency having responsibility for the regulation of insurance companies in the Isle of Man
- The MAS or any other governmental department or agency having responsibility for the regulation of insurance branches in Singapore
- The introducers and financial advisors of ZILL Singapore policyholders impacted by the Scheme
- The professional advisers of any of the above with respect to the Proposed Scheme.

### Reliances and limitations

- 1.12 In preparing the Independent Actuary's Report, I have had access to certain documentary evidence provided by ZILL and MILAC, the principal elements of which I list in Appendix A to the Full Report. In addition, I have had access to, and discussions with, the senior management of both ZILL and MILAC. My conclusions depend on the substantial accuracy of this information, and I have relied on this information without independent verification. There are no documents or other information that I have requested and that have not been provided.
- 1.13 I have relied on the work of the external auditors of ZILL and MILAC in gaining confidence in the financial information as at 31 December 2020 as summarised in this report.
- 1.14 I have relied on the Companies' Appointed Actuaries in relation to the calculation of the technical provisions as at 31 December 2020 (as submitted to the IOMFSA). I have provided each of the Appointed Actuaries of the Companies with a copy of this Report to ensure the actuarial information I have presented in this Report relating to ZILL and MILAC is consistent with their valuation reports. No issues were raised by either Appointed Actuary.
- 1.15 Neither I, nor any member of my team, is a qualified legal or tax expert. I have relied on the opinions and assurances of the Companies' internal and external legal experts in these matters and I have not sought independent expert advice.
- 1.16 The Independent Actuary's Report is based on the information available to me at, or prior to, 25 March 2022, and takes no account of developments after that date.
- 1.17 The Independent Actuary's Full Report has been prepared within the context of the assessment of the terms of the Proposed Scheme. No liability will be accepted by Milliman, or me, for any application of the Independent Actuary's Report to a purpose for which it was not intended, nor for the results of any misunderstanding by any user of any aspect of the Independent Actuary's Report (or any summary thereof). Judgments as to the conclusions contained in the Independent Actuary's Full Report should be made only after studying the report in its entirety. Furthermore, conclusions reached by the review of a section or sections on an isolated basis may be incorrect.
- 1.18 This Report should be read in conjunction with the Full Report and other documents that pertain to the Proposed Scheme.
- 1.19 This report contains various technical terms which I need to use in assessing the Proposed Scheme. Those terms are not always highlighted in my report (for ease of readability) but are listed in the glossary in Appendix C of the Full Report.

## 2 THE PROPOSED SCHEME

- 2.1 The entire book of long-term insurance business carried on by ZILL Singapore will be transferred to MILAC Singapore via the mechanism of the Proposed Scheme, subject to the approval of the Courts in the Isle of Man and Singapore. If one or both Courts do not approve the Scheme, the Scheme will not progress and no change will occur.
- 2.2 No reinsurance contracts currently with ZILL relating to the Transferring Policies will transfer to MILAC. MILAC will have alternative but similar reinsurance treaties relating to the Transferring Policies. I have been informed that ZILL has agreed with the existing reinsurers that no amendment is required to the current treaties to reflect the removal of the ZILL Singapore business.
- 2.3 MILAC outsources its insurance administration activities to another Monument Group subsidiary called Monument Insurance Services (IOM) Limited, ("**MIS**"), via an intra-group outsourcing arrangement governed by a Master Services Agreement. MIS is a registered insurance manager in the Isle of Man and provides insurance services to support the administration requirements of MILAC in respect of its business.
- 2.4 The Proposed Scheme includes the transfer of insurance administration from ZILL systems to MIS. This includes a migration of existing client information and data from the ZILL administration platform to the MIS administration platform.
- 2.5 The Proposed Scheme also seeks to transfer from ZILL to MILAC the introducer, insurance intermediary, financial advisor and agency terms of business agreements ("**TOBAs**") and fund investment advisor agreements ("**Advisory Forms**") that are associated with the Transferring Policies.
- 2.6 The Proposed Scheme includes the transfer of the TOBAs and Advisory Forms as follows:
  - For introducers party to a TOBA which relates to Transferring Policies only, their current TOBAs with ZILL will be transferred to MILAC as part of the Proposed Scheme and approved by the Courts.
  - For introducers party to a TOBA which relates to Transferring Policies and other ZILL policies, the existing TOBA will be split and the relevant rights and obligations under the TOBA relating to Transferring Policies will be transferred to MILAC as part of the Proposed Scheme and approved by the Courts, while ZILL will continue to be responsible for payment of fees and commission payments relating to other ZILL policies not transferring.
  - In a minority of cases, the relevant TOBA is not governed by Isle of Man law and is therefore not capable of being transferred by the Proposed Scheme. In these minority of cases, the Companies will seek to agree the novation and, if applicable, split of the TOBA with the relevant introducer outside of the Proposed Scheme.
  - For advisors connected to the Transferring Policies and giving ongoing investment related advice, any existing Advisory Forms between the advisor and the policyholder relating to Transferring Policies will continue to be recognised by MILAC. The authorisations and undertakings given by policyholders and fund investment advisors to ZILL under the Advisory Forms will be transferred from ZILL to MILAC as part of the Proposed Scheme and approved by the Courts.
- 2.7 Each of the Companies will bear its own costs incurred in connection with the preparation and carrying into effect of the Proposed Scheme, other than certain agreed costs relating to the implementation of the Proposed Scheme which shall be shared equally between the Companies.
- 2.8 No costs or expenses will be borne by policyholders of either of the Companies.

### 3 ASSESSMENT OF THE PROPOSED SCHEME

#### Context of assessment

- 3.1 My assessment is conducted within the context of the Proposed Scheme, and only the Proposed Scheme, and considers its likely effects on the policyholders of ZILL and MILAC. It is not within my remit to consider possible alternative schemes or to form a view as to whether the Proposed Scheme is the best possible scheme.
- 3.2 My assessment of the impact arising from the implementation of the Proposed Scheme on the various affected policyholders is ultimately a matter of expert judgement regarding the likelihood and impact of future possible events. Given the inherent uncertainty of the outcome of such future events and that the effects may differ across different groups of policies, it is not possible to be certain of the effect on the policies.
- 3.3 Consequently, I considered in the Full Report the consequences of the implementation of the Proposed Scheme in terms of the following two headings:
- that the security of policyholders' benefits will not be materially adversely affected; and
  - that the Proposed Scheme treats policyholders fairly and will not materially adversely affect their reasonable benefit expectations.
- 3.4 I considered the implications of the Proposed Scheme separately for the following groups of stakeholders:
- Policyholders transferring from ZILL Singapore to MILAC Singapore;
  - Policyholders remaining in ZILL;
  - Existing (at the Effective Date) policyholders of MILAC; and
  - Introducers party to a TOBA which will be transferred, or partially transferred, to MILAC under the Proposed Scheme.

#### Consequences if the Proposed Scheme is not approved

- 3.5 The Courts of both the Isle of Man and Singapore have to approve the Proposed Scheme for it to occur. If for any reason the Proposed Scheme is not approved, then no transfer of business can occur and both MILAC and ZILL will continue to operate as they operate now. The Transferring Policies will not transfer and will remain in ZILL Singapore.

#### Overview of the regulatory regimes

- 3.6 ZILL and MILAC are both life assurance companies incorporated, authorised and regulated in the Isle of Man and are therefore subject to the same prudential regulatory and supervisory regime in respect of the entirety of their business.
- 3.7 The business being transferred was issued by ZILL Singapore, established as an authorised and regulated insurance branch of ZILL in Singapore. Insurance branches established and regulated in Singapore must also comply with the Singapore prudential regulatory and supervisory regime. ZILL will transfer the business to MILAC Singapore, which prior to the Courts' approval of the Proposed Scheme is expected to be established as an authorised and regulated insurance branch of MILAC in Singapore.

#### Assumptions made when assessing the Proposed Scheme

- 3.8 When considering the implications of the Proposed Scheme, I need to make certain assumptions about how the Companies will run their respective businesses. These assumptions are listed below.
- 3.9 The assumptions I have made relating directly to the Proposed Scheme include:
- MILAC will reinsure 90% of the risks on the transferring business with Monument Re.
  - MILAC Singapore will successfully gain authorisation to establish a branch in Singapore and a licence for insurance activity in order to be in a position to continue to service the transferring business.
  - MILAC will use the services of MIS to administer the transferring business. MIS will successfully on-board the business from the existing insurance administrators – Capita Life and Pensions and ZILL.

- 3.10 My assumptions are based on my understanding of the issues in question and have been shared with the Companies' respective senior management teams for confirmation. I believe, therefore, that it is reasonable to make the assumptions I have made when assessing the implications of the Proposed Scheme. However, if any of these assumptions were to be invalid, then my assessment of and conclusions on the Proposed Scheme may need to be revised.

### Security of policyholders' benefits

- 3.11 In assessing the implications of the Proposed Scheme on the security of benefits for the various groups of policyholders, I have considered a number of factors including the risk profiles of the two Companies and the outlook for their respective future solvency development (including consideration of their strategic plans).
- 3.12 The security of policyholders' benefits is provided by the amount by which an insurer's assets exceed its liabilities. In addition, the regulatory regime for Isle of Man insurers requires that this excess of assets over liabilities must in turn exceed a prescribed minimum level (called the Solvency Capital Requirement ("SCR"), which is calculated taking account of the risks to which the insurer is exposed), thus providing a minimum level of security.
- 3.13 I note that, as at 31 December 2020, both Companies had available capital resources in excess of both the regulatory minimum (100% of SCR) and their respective target levels as per their capital management policies. In addition, internal projections carried out by both Companies indicate that the two Companies are expected to maintain more than adequate solvency levels (in excess of both the SCR and the target levels specified in their capital management policies) over the projection period.
- 3.14 The ZILL Singapore business within ZILL is a small proportion of the total balance sheet of ZILL. Therefore, the expected impact of the Proposed Scheme is relatively immaterial for the ongoing solvency position of ZILL.
- 3.15 The Proposed Scheme will materially increase the overall size of MILAC in terms of policyholders and funds under management. Therefore, the expected impact of the Proposed Scheme is material for the ongoing financial position of MILAC. MILAC has estimated the impact of the proposed transfer as if it happened at end 2021. Solvency coverage is calculated as the ratio (in percentage terms) of the Own Funds (i.e. assets less liabilities) over the SCR. The impact of the transfer is expected to be a small reduction in the solvency coverage of MILAC from 270% to 263% (on a pro-forma basis assuming the Proposed Scheme had happened at end 2021).

### Risk profiles

- 3.16 The makeup of each company's capital requirements provides a good indication of the risks to which the Companies are exposed, and the extent of their exposure. In the Full Report I summarised the key risks for both ZILL and MILAC, based on the composition of the SCR and commentary from the Companies' internal Own Risk and Solvency Assessments ("ORSA") reports. In summary, the two Companies are exposed to broadly similar types of risk, albeit at different relative monetary levels.
- 3.17 In terms of risk management, both Companies adopt similar approaches in terms of risk management policies, frameworks, oversight and governance (as is to be expected as they are both subject to the same regulatory and supervisory regime in this regard).
- 3.18 In terms of risk mitigants, both Companies make substantial use of reinsurance, including external reinsurance. There is a material use of intra-group reinsurance by both Companies. This changes the nature of their risk exposures on the business in question: the underlying risks associated with the business (e.g. financial market risk, mortality risk, expense risk etc.) are substantially replaced with counterparty default risk i.e. the risk that the reinsurer (including another group company) defaults on its obligations.

### Capital management policies

- 3.19 Having examined the two Companies' respective capital management policies (particularly with the Transferring Policyholders in mind), while they differ, I am satisfied that MILAC's policy is not materially weaker than ZILL's in terms of the protection that it affords to policyholders.

### Business model sustainability

- 3.20 ZILL's business model is the issuing and management of international life insurance in selected territories that give growth opportunities. The closure of ZILL Singapore to new business in 2015 followed a strategic review at the time, and the transfer of the ZILL Singapore business to MILAC Singapore is in line with a more efficient run-off of the business given it is closed to new business.

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#### Summary of Independent Actuary's Report

- 3.21 MILAC's business model is to acquire and integrate portfolios of Isle of Man (and similar) insurance business and to manage them in run off. In addition, Monument Re Group's business model is to support its subsidiaries in acquiring portfolios of international insurance business and create capital efficiencies within the Group using intra-group reinsurance to the parent Monument Re in Bermuda.
- 3.22 The Companies therefore have different business models, but the proposed transfer is in line with each of the Companies' own business model. On that basis I do not see the proposed transfer resulting in any material implications for policyholders in that regard.

#### Parental support

- 3.23 Both ZILL and MILAC are capitalised and managed to be self-sufficient on a standalone basis, without needing recourse to their respective parents. Nevertheless, both Companies benefit from the support of their parents, both in terms of reinsurance and in terms of potential access to capital if required. Note a parent is not legally obliged to provide new capital to a subsidiary.
- 3.24 I note that Zurich Insurance Group Ltd and Monument Re (the ultimate parent of ZILL and parent of MILAC, respectively) both reported healthy financial positions as at 31 December 2020, indicating that both parents have substantial available financial resources.
- 3.25 In my view, the proposed transfer will not change the material nature or character of parental support provided to policyholders of either Company.

#### Consideration of transfer of TOBA and Advisory Forms

- 3.26 The Proposed Scheme also includes the transfer of various individual distribution and agency agreements with individual introducers, insurance intermediaries and financial advisors. These TOBA and Advisory Forms will transfer from ZILL to MILAC. I described the proposed transfer in the Full Report, and in Section 2.5 above.
- 3.27 From my review I believe that the impact of the Proposed Scheme on the introducers under the transferred TOBA and Advisory Forms should not be materially adverse. The payment amounts are not expected to change and the financial security provided by an authorised and regulated insurance company in the Isle of Man to introducers and financial advisors is similar (but not identical) for ZILL and MILAC.

#### Fair treatment and policyholder benefit expectations

- 3.28 No costs or expenses of the Proposed Scheme will be borne directly by policyholders of either of the Companies. I confirm that I am satisfied that the proposals are fair to all the categories of policyholders in both ZILL and MILAC.
- 3.29 The current product charges, fund charges, and annual management fees for policies and funds of non-transferring policyholders are unaffected by the Proposed Scheme. The existing terms and conditions for all policyholders will be unchanged by the Proposed Scheme. Some policyholder ongoing charges applicable to transferring policyholders may reduce as part of the migration to the MIS administration platform arising as a consequence of the acquisition of the ZILL Singapore portfolio by Monument.
- 3.30 The Transferring Policyholders' contractual terms and conditions will not change as a consequence of the Proposed Scheme. There are no changes in the cover and benefits provided on the policies.
- 3.31 For unit-linked business, the existing internal investment fund options currently available in ZILL Singapore on the Transferring Policies will continue to be available in MILAC Singapore and the choice of investment managers will not change as a result of the Proposed Scheme. However, MILAC Singapore will have the same practice as ZILL Singapore of altering the fund range from time to time.
- 3.32 The existing policy options currently available in ZILL Singapore on the Transferring Policies will continue to be available in MILAC Singapore. The ability to pay ongoing premiums and to pay additional non-contractual ad-hoc additional premiums (where available on the product and currently available in ZILL) will continue in MILAC.
- 3.33 ZILL and MILAC have retained external tax experts to review the Proposed Scheme from the perspective of the Value Added Tax ("**VAT**") and Goods and Services Tax ("**GST**") implications (if any) on the Companies. The experts conclude that that the transfer of the business is exempt to UK VAT and Singapore GST.
- 3.34 The transfer of the business does not change the policy terms and conditions and is not expected to change the treatment of the life insurance policy for policyholders. The Companies have sought external tax advice on this point.

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In respect of the proposed Scheme to transfer certain insurance business of Zurich International Life Limited to Monument International Life Assurance Company Limited  
7 July 2022



- 3.35 MILAC Singapore may exercise any discretion formerly available to ZILL Singapore under the terms and conditions of any policy, but will do so in accordance with the applicable principles and having regard, as appropriate, to such considerations as are from time to time in use in relation to such business in MILAC Singapore.

### Customer service

- 3.36 ZILL outsources some client administration services to Capita Life & Pensions (a specialist insurance third party service provider). ZILL Singapore undertakes distributor (introducer) contact activities and Singapore policyholder contact activities. ZILL Singapore, with some support from other Zurich entities in Singapore, undertakes local compliance and risk management activities. ZILL in the Isle of Man provides head office support as well as a range of insurance administration activities including internal unit pricing for the ZILL Singapore business.
- 3.37 MILAC will consolidate all necessary insurance administration activities relating to the transferring business in MILAC Singapore and in MILAC's services company MIS in the Isle of Man.

- 3.38 In this regard, I note the following:

- The transfer of insurance administration to MIS includes a migration of existing client information and data from the ZILL administration platform to the MIS administration platform, LIFEfit. The functionality on this platform covers all necessary life insurance activities and policyholder requirements on the transferring business.
- Some of the precise administration approaches for certain individual transactions or instructions may differ between the two platforms. These changes are summarised in the Policyholder Circular and can be summarised as follows: (a) in some instances the timing of completion of processing may change when a policy matures or a policyholder carries out a transaction, such as cashing in or partially cashing in their policy; (b) where terms and conditions for Transferring Policies allow policyholders to add or remove additional benefits at ZILL's discretion, MILAC will only exercise this discretion to allow policyholders to remove rather than add additional benefits; (c) MILAC will adopt a different policy for applying discretionary bonus allocations so that bonuses are only applied when they are available for policyholder payment; (d) MILAC will not deduct currency switch charges; and (e) MILAC will reduce currency exchange charges where one of the currencies used is Sterling.

From my review of the migration plan I am satisfied that changes in the approach are relatively minor and within the normal ranges of approaches used in life insurance.

- In the unlikely event that MIS is not ready to commence services by the Effective Date, MILAC can agree with MIS to a later commencement date and could implement a contingency plan to use a transitional support arrangement if necessary with ZILL beyond the Effective Date to avoid any adverse impact on policyholders.
- 3.39 Having considered the relevant facts, as set out above, I am satisfied that there is no reason to believe that the services standards experienced by the Transferring Policies will be materially adversely affected by the Proposed Scheme.

### Policyholder Complaints Process and Policyholder Protection Schemes

- 3.40 As the transferring business will continue to be regulated and authorised within a Singapore Branch of an Isle of Man authorised insurance company, transferring policyholders will continue to have the same rights and access to complaints procedures.
- 3.41 It has been confirmed to me that, for the same reasons, the transferring business within MILAC Singapore will continue to have the same protections available within ZILL Singapore as provided by the Isle of Man Policyholders Compensation Scheme ("PCS") governed by the Life Assurance (Compensation of Policyholders) Regulations 1991, and the Policy Owners' Protection ("PPF") Scheme in Singapore. Note the protections are limited in scope but it has been confirmed to me that the scope is unchanged on transferring from ZILL Singapore to MILAC Singapore. I have briefly described the policyholder protection schemes in the Full Report.

### Policyholders remaining in ZILL

- 3.42 There will be no change arising from the Proposed Scheme to the terms and conditions of the policies of ZILL's existing policyholders, nor will there be any changes to the way in which ZILL will exercise its discretionary powers. There will be no change to the administration and customer service arrangements for ZILL's existing policyholders.

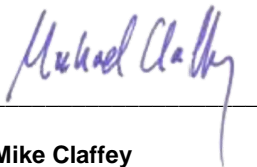


### MILAC's existing policyholders

- 3.43 There will be no change arising from the Proposed Scheme to the terms and conditions of the policies of MILAC's existing policyholders, nor will there be any changes to the way in which MILAC will exercise its discretionary powers. There will be no change to the administration and customer service arrangements arising directly from the Proposed Scheme for MILAC's existing policyholders.

## 4 SUMMARY AND CONCLUSIONS

- 4.1 I confirm that I have considered the effects of the Proposed Scheme on the following groups of policyholders:
- Policyholders transferring to MILAC Singapore from ZILL Singapore;
  - Policyholders remaining in ZILL; and
  - Existing (pre-Effective Date) policyholders of MILAC.
- 4.2 I further confirm that I do not consider further subdivisions to be necessary.
- 4.3 In summary, I am satisfied that the implementation of the Proposed Scheme would not have a material adverse effect on
- the security of benefits under the policies of ZILL and MILAC;
  - the reasonable expectations of the policyholders of MILAC and ZILL with respect to their benefits; and
  - the standards of administration, service, management and governance that apply to the ZILL and MILAC policies.
- 4.4 I believe that the impact of the Proposed Scheme on the introducers and financial advisors under the transferred TOBA and the Advisory Forms should not be materially adverse. The payment amounts are not expected to change and the financial security provided by an authorised and regulated insurance company in the Isle of Man to introducers and financial advisors is similar (but not identical) for ZILL and MILAC.
- 4.5 I confirm that I am satisfied that the arrangement with regard to the costs of the Proposed Scheme are fair to all the categories of policyholders in both ZILL and MILAC.
- 4.6 I am also satisfied with the proposed approach to policyholder communications in respect of the Proposed Scheme.



**Mike Claffey**  
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29 March 2022