

## Frequently Asked Questions

### 1. Why is Zurich proceeding with this transfer of long term business carried on in or from Hong Kong by ZLIC to ZLIHK?

The transfer of all the long term business carried on in or from Hong Kong by ZLIC to ZLIHK ("**Proposed Transfer**") is part of a strategic initiative of the Zurich group. ZLIC and ZLIHK consider that the transfer will give rise to the following benefits:

- (a) improve the efficiency of audit and regulatory compliance within the group; as ZLIHK is incorporated in Hong Kong, it will be subject to the Hong Kong regulatory regime alone and not the additional Swiss regulatory requirements that apply to the ZLIC Hong Kong branch;
- (b) improve the operational efficiency of Zurich group's life insurance business;
- (c) improve the operations of Zurich group's life insurance business by allocating the decision making to different entities of the group, allowing each territory within the group to pursue the strategy that best fit the needs of its market, policyholders and shareholders;
- (d) better align Zurich group's business along regional lines; and
- (e) simplify ZLIC's company structure and remove the tension within ZLIC as a result of the differing risk profiles and regulatory regimes that apply to its Hong Kong and non-Hong Kong businesses and thus improve the efficiency of compliance within the group.

### 2. What is the background of ZLIHK? Who owns ZLIHK? How will it be capitalised?

ZLIHK was incorporated in Hong Kong on 7 May 2018. ZLIHK is a wholly-owned subsidiary of Zurich Insurance Holdings (Hong Kong) Limited, which is in turn a wholly owned subsidiary of Zurich Insurance Company Ltd ("**ZICL**"). ZICL is a global insurance company with around US\$303,433,000,000 in assets under management (comprising of group investments and unit-linked investments plus assets that are managed by third parties, on which fees are earned, as at 31 December 2020).

### 3. How will the Proposed Transfer take place?

In order to take over the business carried on by ZLIC, an application was made by ZLIHK to the Insurance Authority on 2 January 2020 for the authorisation to carry out insurance of Classes A and C of long term business. Formal authorisation was granted by the Insurance Authority to ZLIHK on 23 March 2020.

Under the Scheme of Transfer ("**Scheme**") your long term insurance policy(ies) (whether in force, expired, terminated, matured or surrendered) effected with ZLIC Hong Kong branch prior to the Transfer Date (defined below) will be transferred to ZLIHK, according to section 24 of the Insurance Ordinance, Cap. 41 of the Laws of Hong Kong ("**Ordinance**"), and is subject to the approval of the Court of First Instance ("**Hong Kong Court**").

The Proposed Transfer is expected to take effect on 1 September 2021 or such other date as the Hong Kong Court shall approve ("**Transfer Date**").

From the Transfer Date, ZLIHK will be responsible for providing the insurance coverage and services under your insurance policy(ies) including processing of claims.

We have placed a notice of the Proposed Transfer in the Government of the Hong Kong Special Administrative Region Gazette as well as the The Standard and Sing Tao Daily in Hong Kong.

Information relating to this Proposed Transfer is also posted on our webpage [www.zurich.com.hk/en/important-notice/portfolio-transfer](http://www.zurich.com.hk/en/important-notice/portfolio-transfer). We will notify you in writing after the Scheme has been sanctioned by the Hong Kong Court and has taken effect.

For information on the final hearing by the Hong Kong Court of the Scheme, please refer to the section entitled "Further Information on the Hearing" in Schedule 1 - Part 2 attached to this letter.

#### **4. What are the details of the Scheme?**

We have prepared the Scheme pursuant to section 24 of the Ordinance, a summary of which is attached to this letter. You can also review the Scheme document on or before June 17, 2021 by visiting our office at 25/F-26/F, One Island East, 18 Westlands Road, Island East, Hong Kong between 9:00 a.m. and 5:30 p.m. (Hong Kong time), Monday to Friday (except public holidays).

#### **5. Will there be any change to the terms of our insurance policies or each party's rights and obligations under the insurance policies?**

No. The Proposed Transfer will not affect your rights and obligations under your insurance policy(ies). On and from the Transfer Date, you will have the same rights available to you under your insurance policy(ies) with ZLIHK as you had with ZLIC Hong Kong branch. An independent actuary was engaged to give his professional opinion on the impact (if any) of the Proposed Transfer to the policyholders of ZLIC and ZLIHK and in his opinion, there will not be any material adverse impact.

#### **6. Will new insurance policies be issued for our existing insurance policies?**

Your existing in force insurance policies remain valid and will be automatically transferred to ZLIHK from the Transfer Date. As such, we will not be issuing new insurance policy(ies).

#### **7. How does the Proposed Transfer affect the payment of premiums?**

All premiums payable under your insurance policy(ies) with ZLIC Hong Kong branch after the Transfer Date are to be made payable to ZLIHK or its agents. We will furnish payment instructions and bank account details directly to you in due course.

**8. What if I make a claim before the Transfer Date and the claim has not yet been settled by the Transfer Date?**

If you have made a claim before the Transfer Date, your existing policy terms and conditions will continue to govern the assessment of the claim and ZLIHK will take over the processing of the claim from ZLIC Hong Kong branch and be responsible for any subsequent payment to you. You do not need to submit a new claim form as the information will be transferred from ZLIC Hong Kong branch to ZLIHK.

**9. How can I keep up to date with the progress of the Proposed Transfer?**

We will notify you in writing after the Scheme has been sanctioned by the Hong Kong Court and has taken effect. If the Scheme is not sanctioned by the Hong Kong Court and does not take effect, we will also notify you in writing.