

Part 1: Summary of Scheme

Introduction

1. We, Zurich Life Insurance (Singapore) Pte. Ltd. (**Zurich Life Singapore**) are proposing to transfer all of the life insurance policies issued by Zurich Life Singapore (the **Policies**) to Singapore Life Pte. Ltd. (**Singapore Life**), a Singapore licensed life insurance company (the **Transfer**).
2. This Summary has been prepared to provide you with an overview of the Transfer; it summarises the key elements of the Transfer and how it affects policyholders of Zurich Life Singapore and Singapore Life. Please take the time to read and understand it.
3. Under the Transfer, the Policies will be transferred to Singapore Life and the insurer of the Policies will change from Zurich Life Singapore to Singapore Life. No other terms and conditions of the Policies will change as a result of the Transfer.

Details about Singapore Life

4. Singapore Life Pte. Ltd. (**Singapore Life**), is a Singapore licensed life insurance company. For further information about the Transfer or Singapore Life please visit the website www.singlife.com/businesstransfer.

The Transfer

5. The Transfer will be carried out by a scheme of transfer under Section 49FB of the Insurance Act (Cap. 142) (the **Scheme**). The Scheme is conditional on the approval of each of the Monetary Authority of Singapore (**MAS**) and the High Court of the Republic of Singapore (**High Court**).
6. The hearing where the High Court will consider whether or not to approve the Transfer is currently scheduled for on or around 20 March 2018 (the **Court Hearing**) at 1 Supreme Court Lane, Singapore 178879.
7. If the Transfer is approved by the Court, it is intended that it will become effective as from 00.01 hours (Singapore Time) on 1 April 2018 or such later date as the High Court may approve (the **Effective Date**).
8. Zurich Life Singapore and Singapore Life have appointed an independent actuary to produce a report on the likely impact of the Transfer on policyholders, in relation to which please see paragraph 15 and Part 2 below.

Key terms of the Transfer

9. If the High Court approves the Transfer, the Policies will automatically transfer to Singapore Life on the Effective Date. You do not need to do anything for this to happen.
10. The Scheme provides that Singapore Life will acquire all policies of insurance which were ever written, issued or assumed by or novated to Zurich Life Singapore, all agreements between Zurich Life Singapore and independent financial advisers, introducers, referral parties and insurance intermediaries and all agreements in relation to certain transferring bank accounts and credit card payment arrangements together with all the liabilities arising, attributable to or in connection with these policies and agreements, as at the Effective Date. Certain reinsurance arrangements of Zurich Life Singapore covering the transferring policies will also be transferred to Singapore Life with effect from the Effective Date.
11. With effect from the Effective Date, policyholders of the Policies will continue to have the same rights, benefits and obligations and be subject to the same terms and conditions in relation to their Policies, save that Singapore Life will be substituted as the insurer in place of Zurich Life Singapore. This means that from the Effective Date:
 - a. your benefits will be payable by Singapore Life, and not Zurich Life Singapore; and
 - b. all rights, benefits, obligations or liabilities of Zurich Life Singapore in respect of the Policies will be transferred to and assumed by Singapore Life.

12. We can also confirm that as a result of the Transfer:
 - a. your policy number(s) will not change;
 - b. the terms and conditions of your Policy will not change, other than references to Zurich Life Singapore or its group will become references to Singapore Life and its group;
 - c. the payment obligations under your Policy will not change and your payments will continue to be made to the same bank account (however, for cheque payments, from the Effective Date cheques should be made payable to 'Singapore Life Pte Ltd');
 - d. any mandates, including direct debits, standing orders or other instructions or authorities, payable to or from Zurich Life Singapore in respect of the Policies will be payable to or from Singapore Life instead;
 - e. documents, files and other records held by, or on behalf of, Zurich Life Singapore relating to your Policy will be transferred to Singapore Life.
13. You do not need to do anything for this to happen. Unless you want to raise any concerns or object to the Transfer, you do not have to take any further action.
14. The Transfer is governed by Singapore law.

Independent Actuary's Report

15. Zurich Life Singapore and Singapore Life have procured an independent actuarial report from Mr. Alan Merten, a Partner in the Financial Services team at Deloitte (the **Independent Actuary**). For a summary of the Actuarial Report please see Part 2 below.

Further information and copies of documents

16. If, after reading this Summary and the accompanying Q&A booklet and any other document that is available (see paragraphs 17 - 20), you believe you may be adversely affected by the Transfer you are entitled to be heard by and raise your objection or concern at the Court Hearing. If you wish to raise any concerns or objections, question 16 of the accompanying Q&A booklet describes how to do so. Although this is not a requirement, we ask that you please do this as soon as possible.
17. Further information regarding the Transfer is available on our website, www.zurich.com.sg/businesstransfer, including the full Scheme document and the full Independent Actuary's report.
18. If you would like more information about the Transfer, you can call us on +65 6876 6750. Phone lines are open from 9.00am to 5.30pm Monday to Friday (excluding public holidays). If you prefer, you can write to us at Zurich Life Insurance (Singapore) Pte Ltd, Singapore Land Tower #29-05, 50 Raffles Place, Singapore 048623 or by email to helppoint.singapore@zurich.com.
19. These contact details can also be used to request free copies of any of the documents relating to the Transfer.
20. In addition, you may also inspect or obtain copies (free of charge) of the documents relating to the Transfer between the hours of 9.00am to 5.30pm on weekdays at the offices of Zurich Life Singapore at Singapore Land Tower #29-05, 50 Raffles Place, Singapore 048623.

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**Portfolio Transfer from Zurich Life Insurance
(Singapore) Pte Ltd to Singapore Life Pte Ltd**

Summary Report of the Independent Actuary

2 November 2017

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1 Introduction and Scope

With reference to section 49FC(2) of Chapter 142 of the Insurance Act, Deloitte ("we", "us") have been engaged by Zurich Life Insurance (Singapore) Pte. Ltd ("Zurich Life") and Singapore Life Pte. Ltd. ("Singapore Life") (together "the Companies") to prepare a Report of the Independent Actuary ("the Report", being the full report, a summary of which is contained in this Summary Report) which provides an opinion in relation to the implications for policyholders of the proposed transfer of the Zurich Life policies and the Life Risk Insurance Liabilities from Zurich Life's Insurance Funds (collectively "the Business") to Singapore Life ("the Proposed Transfer"). The Companies have voluntarily requested the preparation of the Report, and were not required to do so by the Monetary Authority of Singapore ("MAS").

Our Report considers the nature and impact of the Proposed Transfer on policyholders of Zurich Life and Singapore Life including whether the Proposed Transfer:

- properly and adequately safeguards their contractual benefits and other rights; and
- is expected to result in any adverse impact on such policyholders.

In preparing our opinion in regards to the Proposed Transfer, we consider the effect of the Proposed Transfer on the following areas for Zurich Life and Singapore Life Policyholders, both those that are transferring to Singapore Life ("Transferring Policyholders") and those that are remaining in Singapore Life ("Transferee Policyholders"):

- contractual benefits and other rights,
- reasonable benefit or other policyholder expectations,
- benefit security (as supported by the capital position, investment strategy, reinsurance arrangements and risk management framework), and
- any other matters that arise in the course of our review of the Proposed Transfer which have the potential to impact on either group of policyholders.

In preparing the opinion, we have focussed on the changes that arise as a result of the Proposed Transfer, rather than changes that might arise in the ordinary course of business.

2 Summary of the Proposed Transfer

Zurich Life and Singapore Life have agreed to transfer the Zurich Life Business to Singapore Life on the Effective Date (the effective date of the Proposed Transfer, noted below).

The Proposed Transfer will be effected via a Scheme of Transfer ("the Scheme") under which:

- The Zurich Life policies and the Life Risk Insurance Liabilities from Zurich Life's Insurance Funds will be transferred to Singapore Life's Insurance Funds. The Business in the Non-participating ("Non-par") Fund will transfer into the Non-par Fund of Singapore Life, and the Business in the Investment-linked Product ("ILP") Fund will transfer into a new ILP Fund in Singapore Life. No policies will remain within Zurich Life.
- Assets of Zurich Life's Insurance Funds will be transferred or assigned to Singapore Life's Insurance Fund(s).
- All rights and liabilities under the life insurance policies and contracts relating to Zurich Life's Insurance Funds will transfer to Singapore Life, and Zurich Life's policyholders will become policyholders of Singapore Life. This includes the obligations in relation to claims, regardless of when the claim was incurred, and in relation to commissions.
- Critical claims, customer service, and other Zurich Life staff are expected to be transferred and integrated into Singapore Life's team in addition to the Proposed Transfer (some of whom by virtue of the Employment Act, and others will be voluntarily offered positions).
- Existing reinsurance arrangements for in-force Zurich Life business are expected to be novated and transferred to Singapore Life.
- All costs associated with the Proposed Transfer will be borne by the shareholders of Zurich Life and the shareholders of Singapore Life.
- The details of the Proposed Transfer are more fully described in Section 4 of the full Report. It is anticipated that the Scheme will be effective 1 April 2018, subject to the approval of the High Court.

3 Merits of the Scheme

In forming our opinion (summarised in this section), we have relied on the accuracy and completeness of information provided to us by Zurich Life and Singapore Life, both orally and in writing, without independently verifying it.

We note that the projections of the future financial position and the estimates of insurance liabilities are generally subject to inherent uncertainties which are reflected in the assumptions used to calculate these items. The actual financial position of Zurich Life and Singapore Life at the Scheme transfer date and beyond is subject to the outcome of events that have not yet occurred. Actual experience could vary significantly from the estimates contained within the Report and the Zurich Life and Singapore Life reports and financial statements. Deviations are normal and are to be expected. The outcome of insurance business and ongoing solvency of Singapore Life cannot be guaranteed. We note that no absolute guarantee can be provided given the inherent uncertainty in insurance outcomes.

Within this context, we have considered the merits of the scheme and the potential impact on the policyholders of both Zurich Life and Singapore Life. A summary of the implications of the Proposed Transfer on each group of policyholders is included in the table below:

Figure 1: Summary of the implications of the Proposed Transfer on each group of policyholders

Item considered	Impact on Zurich Life policyholders	Impact on Singapore Life policyholders
Contractual benefits and other rights	No adverse impact expected; products will be maintained by Singapore Life post-transfer and no changes are expected.	No adverse impact as no changes are expected to be made as a direct result of the Proposed Transfer.
Reasonable benefit or other policyholder expectations	Products will be maintained by Singapore life post-transfer and service standards will also be transferred to Singapore life; hence no adverse impact is expected.	No adverse impact as no changes are expected to be made as a direct result of the Proposed Transfer.
Benefit security (as supported by the capital position, investment strategy, reinsurance arrangements and risk management framework)	Capital ratios post-transfer are expected to be significantly above the target ratios and industry averages, thus indicating the continued financial strength of the business. Similar risk management frameworks are in place and include appropriate investment and reinsurance policies. Hence, no materially adverse impact is expected.	As a direct result of the Proposed Transfer, the capital ratio becomes slightly lower in the short term and yet strengthens slightly over time. It is expected to remain significantly above the target required for the duration of the business plan projections. Hence, no adverse impact is expected.
Other matters	None observed in the course of our review.	None observed in the course of our review.

In our opinion, the Proposed Transfer is unlikely to have an adverse impact on the policyholders of either Zurich Life or Singapore Life. Furthermore, we consider the following items to be the key merits of the Scheme:

- Zurich Life and Singapore Life have different strategic objectives. For Zurich Life, the strategy is to manage the business in a “run-off” process (i.e. no new business is accepted and ultimately the business will be closed once all policies have matured or expired). Singapore Life is a new business with plans to grow over coming years. Although we do not expect either strategy to adversely affect policyholders, they may prefer or even benefit from Singapore Life given the better alignment of policyholder and company interests.

- Singapore Life's plans as part of implementing the Scheme will also result in accelerated development of infrastructure (e.g. administration and customer servicing systems). This will also enable Singapore Life to provide both the transferring Zurich Life Policyholders and existing Singapore Life Policyholders with high service standards.
- We also note that the transfer will have a positive impact on Singapore Life's solvency position, which will partially be offset by the expenditure required in the transfer process and systems developments.

In conclusion, whilst there are uncertainties about the future that are inherent in insurance operations and the execution of the Scheme, the Proposed Transfer is not expected to adversely affect policyholders and there are additional merits to the Scheme which may benefit policyholders in the long run.

4 Reliances and Limitations

The Report should be considered in its entirety. This Summary Report is intended to provide an overview of the Report and does not cover all of the issues addressed in the Report. The reader may not rely on this Summary Report in isolation.

In forming the opinions contained in the Report, we have relied on the accuracy and completeness of information provided to us by Zurich Life Insurance (Singapore) Pte. Ltd ("Zurich Life") and Singapore Life Pte. Ltd. ("Singapore Life") (together "the Companies"), both orally and in writing, without independently verifying it. The detailed reliances and limitations are set out in Section 6 of the Report.

The Report is solely for the purpose set out in the Scope section of the Report and is not to be used for any other purpose. The Report has been prepared at the request of Zurich Life and Singapore Life in accordance with the terms of our engagement letter dated 29 August 2017.

Third parties who use this Summary Report acknowledge that they are not a party to the engagement letter dated 29 August 2017. Deloitte shall not be liable for any losses, claims, expenses, actions, demands, damages, liabilities or any other proceedings arising out of any reliance by the third parties on this Summary Report. Third party readers may wish to seek advice due to the technical nature of this Summary Report.

We reserve the right to review and alter the conclusions reached in the Report and hence in this Summary Report, should information that is relevant to our conclusions come to our attention after the date of this Summary Report.

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