

## SCHEDULE 1

### PART 1

#### SUMMARY OF THE SCHEMES

##### Executive Summary

1. The following information is a summary of the terms of the proposed transfer of the whole of the long term business carried on in Hong Kong by Chubb Life Insurance Company Ltd. (“**CLICL**”) acting through its Hong Kong branch to Chubb Life Insurance Hong Kong Limited (“**Chubb Life HK**”) which includes long term insurance policies underwritten by CLICL (the “**Transferring Policies**”) and certain assets and liabilities relating to its business (the “**Proposed Transfer**”).
2. The Proposed Transfer will be carried out in accordance with the statutory process set out in section 24 of the Insurance Ordinance (Chapter 41 of the Laws of Hong Kong) (the “**Insurance Ordinance**”), under which an application has been made by way of petition (the “**Hong Kong Petition**”) to the Court of First Instance of the High Court of Hong Kong (the “**Hong Kong Court**”) for the sanction of a scheme setting out the terms of the transfer (the “**Hong Kong Scheme**”).
3. An application has also been made by way of petition (the “**Bermuda Petition**”) to the Supreme Court of Bermuda (the “**Bermuda Court**”) for an order sanctioning a similar scheme of transfer (the “**Bermuda Scheme**”) for the transfer of the Transferring Policies (together with certain assets and all rights and liabilities arising thereunder) pursuant to the provisions of section 25 of the Insurance Act 1978 of Bermuda and its related regulations (the “**Bermuda Insurance Act**”). The terms of the Bermuda Scheme are, in all material respects, the same as the terms of the Hong Kong Scheme.
4. CLICL and Chubb Life HK have appointed an independent actuary, Ms Cindy Chou, who is associated with the firm of Willis Towers Watson US LLC and is a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries (the “**Independent Actuary**”), to prepare a report for the Hong Kong Court and the Bermuda Court setting out her opinion on the likely effects of the Schemes on the policyholders of CLICL and on the policyholders of Chubb Life HK.

5. Full details of the Proposed Transfer are contained in the two Scheme documents (together the “**Schemes**”).

## **The Parties**

### CLICL

6. CLICL was incorporated in Bermuda on 28 July 1976 and is registered with the Bermuda Monetary Authority (“**BMA**”) as a Class E insurer, permitting CLICL to effect and carry on long term insurance business pursuant to the provisions of the Bermuda Insurance Act.
7. CLICL is an authorised insurer under the Insurance Ordinance (an “**Authorised Insurer**”) with authorisation to carry on long term business (as that term is defined under the Insurance Ordinance (“**Long Term Business**”) in Class A (Life and annuity), Class C (Linked long term), Class D (Permanent Health) and Class I (Retirement scheme management category III) of Long Term Business (the “**Authorised Classes**”) in or from Hong Kong.
8. It is proposed that, pursuant to section 24 of the Insurance Ordinance, the whole of the long term business carried on in Hong Kong by CLICL shall be transferred to Chubb Life HK in accordance with the terms of the Schemes and subject to the order of the Hong Kong Court (the “**Hong Kong Order**”) and the order of the Bermuda Court (the “**Bermuda Order**”), made pursuant to sections 24 and 25(1) of the Insurance Ordinance and section 25 of the Bermuda Insurance Act, respectively.
9. CLICL is part of the Chubb group of companies (the “**Chubb Group**”), is wholly owned by Chubb INA International Holdings Ltd, and is a subsidiary of Chubb Limited which is the ultimate parent company of the Chubb Group. The Chubb Group is a global insurance company with more than US\$200 billion in assets. In addition to offices in Hong Kong and Bermuda, the Chubb Group has offices in Zurich, New York, London, Paris and other key insurance markets, maintaining offices in 54 countries or territories.

## Chubb Life HK

10. Chubb Life HK (formerly known as CIGNA Worldwide Life Insurance Company Limited) was incorporated in Hong Kong on 19 July 2005 under its former name CIGNA Worldwide HK Life Company Limited. Chubb Life HK is also an Authorised Insurer with authorisation to carry on insurance business in the Authorised Classes in or from Hong Kong.
11. Chubb Life HK was originally a subsidiary of Cigna Corporation. Cigna Corporation is the ultimate parent company of the Cigna group of companies (the “**Cigna Group**”) and its shares are listed on the New York Stock Exchange (NYSE: CI).

## **The Acquisition**

12. On 1 July 2022, Chubb International Investments Limited, a subsidiary of Chubb Limited (which is the ultimate parent company of the Chubb Group), purchased the entire issued share capital of Chubb Life HK (the “**Acquisition**”). The Acquisition formed part of the Chubb Group’s wider strategic acquisition of the life and non-life insurance companies housing Cigna Group’s personal accident, supplemental health and life insurance business in six Asia-Pacific markets: Korea, Taiwan, New Zealand, Thailand, Indonesia and Hong Kong. On completion of the Acquisition, Chubb Life HK ceased to be a member of the Cigna Group and became a member of the Chubb Group.

## **Proposed Transfer and Benefits**

13. As part of the strategic acquisition referred to above, and in order to consolidate the Long Term Business carried on by CLICL with the Long Term Business carried on by Chubb Life HK, CLICL and Chubb Life HK have agreed:
  - (a) to make a joint application to the Hong Kong Court under section 24 of the Insurance Ordinance to transfer the CLICL Business (as defined below) from CLICL to Chubb Life HK in accordance with the terms of the Hong Kong Scheme and subject to the Hong Kong Order; and

- (b) to make an application to the Bermuda Court under section 25 of the Bermuda Insurance Act to transfer the CLICL Business from CLICL to Chubb Life HK in accordance with the terms of the Bermuda Scheme (which are, in all material respects, the same as the terms of the Hong Kong Scheme) and subject to the Bermuda Order.
14. In preparation for the Proposed Transfer, CLICL and Chubb Life HK have agreed that:
- (a) CLICL will cease to accept new applications for Policies with effect from 1 July 2023;
  - (b) any new Policy applications received by CLICL before 1 July 2023 will be processed by CLICL and CLICL will, if it considers it appropriate, issue Policies to the applicants before 1 September 2023, with such Policies being part of the Transferring Policies to be transferred from CLICL to Chubb Life HK under this Scheme;
  - (c) any Policy applications received by CLICL before 1 July 2023 but for which Policies are not issued by CLICL to the Policy applicants before 1 September 2023 will form part of the Transferring Policies to be transferred from CLICL to Chubb Life HK under this Scheme, and Chubb Life HK will decide whether Policies will be issued to such Policy applicants as Chubb Life HK considers appropriate in accordance with its underwriting guidelines;
  - (d) Chubb Life HK will, subject to the consent of the Insurance Authority, recommence underwriting new insurance business in or from Hong Kong with effect from 1 July 2023;
  - (e) with effect from 1 July 2023, Chubb Life HK will start offering former CLICL products which will be issued under the company name of Chubb Life HK and which will be identical to the products currently offered by CLICL until 30 June 2023; and
  - (f) CLICL will cease to underwrite new insurance business in or from Hong Kong with effect from 1 September 2023.
15. In this regard:

- (a) “**CLICL Business**” means CLICL’s Long Term Business comprising the Transferring Policies, Transferring Assets and Transferring Liabilities and all other business undertakings carried on by CLICL in or from Hong Kong in connection with, ancillary to and/or for the purposes of such Long Term Business; and
  
- (b) “**Transferring Policies**” means all Class A Policies, Class C Policies and Class D Policies, the product names for which are listed in Schedule 1 of the Hong Kong Scheme, underwritten by CLICL prior to 1 September 2023 as part of the CLICL Business and under which any liability remains outstanding at the Effective Date, whether such Policies have been reinstated or have expired, lapsed, matured, surrendered or terminated, and including:
  - (i) all proposals or applications for Policies, certificates, supplemental coverages, endorsements, riders and ancillary agreements in connection therewith;
  
  - (ii) all proposals or applications for renewals thereof received by CLICL before 1 July 2023 but which it has not processed before 1 September 2023; and
  
  - (iii) any benefit attributable thereto but recorded under a different or replacement policy number; and
  
- (c) “**Policy**” has the meaning given to the term “policy” in section 2 of the Insurance Ordinance.

### **Effective Date**

- 16. The Hong Kong Scheme shall become effective at 12:00 a.m. Hong Kong time on such date and/or time as CLICL and Chubb Life HK may agree which date shall be within 90 days after the later of (a) the date on which the Hong Kong Order is granted and (b) the date on which the Bermuda Order is granted (the “**Effective Date**”).
  
- 17. Subject to the grants of the Hong Kong Order and the Bermuda Order, it is expected that the Schemes will take effect on 1 December 2023, but this may change as mutually agreed by CLICL and Chubb Life HK.

18. Unless the Hong Kong Scheme shall have become effective on or before 12:00 a.m. Hong Kong time on a date which is within 90 days after the later date on which the Hong Kong Order or the Bermuda Order is granted, or such later date and/or time, if any, as the parties may agree and to which the Hong Kong Court and the Bermuda Court may allow, it shall lapse.

### **Transfer of Assets and Liabilities**

19. On and with effect from the Effective Date, the Transferring Assets shall, by virtue of the Hong Kong Order and the Bermuda Order and without any further act or instrument or investigation or requisition, but subject to paragraph 36 below, be transferred by CLICL to, and be vested in, Chubb Life HK, subject to any Encumbrances thereof, in accordance with the Schemes.

20. In this regard:

(a) **“Transferring Assets”** means:

- (i) the property, assets (including fixed assets, accrued investment income, premium receivable and other receivables and amounts due from affiliates) and investments of CLICL (including any right, discretion or authority of CLICL under or by virtue of a Transferring Policy) relating to or attributable to the CLICL Business, wherever situated;
- (ii) the rights of CLICL under, or by virtue of:
  - (1) the Transferring Policies (as defined above);
  - (2) the agreements between CLICL and its appointed licensed insurance agencies and licensed insurance agents in relation to the CLICL Business (**“Agency Agreements”**);
  - (3) the agreements between CLICL and licensed insurance brokers in relation to the CLICL Business (**“Broker Contracts”**);

- (4) any lease, outsourcing agreement or arrangement (other than the policy administration agreement pursuant to which CLICL provides various services to Chubb Life HK in connection with Chubb Life HK's Long Term Business), information technology and related contracts to which CLICL is a party in respect of or concerning the Transferring Business ("**Business Contracts**");
    - (5) the reinsurance agreements or arrangements under which CLICL is reinsured in respect of the Transferring Policies ("**Reinsurance Agreements**"); and
    - (6) any other contracts, arrangements, agreements or undertakings in respect of or concerning the CLICL Business; and
  - (iii) the Records, including all rights, title and interest of CLICL in the Records;
- (b) "**Encumbrances**" means any mortgage, charge, pledge, security, lien, option, restriction, right of first refusal, right of pre-emption, third party right or interest, any other encumbrance or security interest of any kind, and any other type of preferential arrangement (including title transfer and retention agreements) having a similar effect;
- (c) "**Records**" means all books, files, registers, documents (including policy documents), correspondence (including that from or sent to the Transferring Policyholders), papers and other records, whether in physical or electronic form, relating to the Transferring Policies, Transferring Policyholders and/or insureds, beneficiaries and/or assignees of the Transferring Policies, including those required to be kept or retained by CLICL pursuant to statutory or regulatory requirements (whether or not having the force of law), and which are in its possession, or under its control, as at the Effective Date;
- (d) "**Transferring Business**" means:
  - (i) the Transferring Assets;

(ii) the Transferring Liabilities; and

(iii) the Transferring Policies; and

(e) **“Transferring Policyholder”** means the policyholder of a Transferring Policy.

21. On and with effect from the Effective Date, each Transferring Liability shall, by the Hong Kong Order and the Bermuda Order and without any further act or instrument or investigation or requisition, but subject to paragraph 36 below, be transferred by CLICL to and become a liability of, Chubb Life HK in accordance with the Schemes and shall cease to be a liability of CLICL with the effect that CLICL shall be released from, and Chubb Life HK shall assume, all Transferring Liabilities.

22. In this regard:

(a) **“Transferring Liabilities”** means all liabilities of CLICL as at the Effective Date attributable to the CLICL Business including all liabilities and any current or pending complaints, legal proceedings or other dispute resolution proceedings under or in relation to Transferring Policies (including all liabilities to pay Unit-Linked Benefits in relation to Class C Policies), the Transferring Assets and the CLICL Business, and all associated liabilities, including tax liabilities, attributable to CLICL amounts due to affiliates, fines, penalties, damages and compensation due to policyholders of CLICL for non-compliance or mis-selling by CLICL, any liabilities or obligations of CLICL under any Reinsurance Agreements, Agency Agreements, Broker Contracts and Business Contracts and liabilities in connection with Proceedings;

(b) **“Unit Linked Benefits”** means benefits which are determined by reference to the value of, or the income from, property of any description (whether or not specified in the relevant Transferring Policy) or by reference to fluctuations in, or an index of, the value of the property of any description (whether or not so specified); and

(c) **“Proceedings”** means the proceedings set out in Schedule 2 of the Hong Kong Scheme and any other judicial, regulatory, disciplinary, administrative, legal or arbitral proceedings, claims or complaints (whether current, pending,



threatened or future) by or against CLICL in connection with the Transferring Policies, the Transferring Assets and/or the Transferring Liabilities.

23. On and with effect from the Effective Date, all rights of CLICL to vary or determine at its sole discretion or otherwise, the dividends, crediting rates, premium rates and/or charges under the Transferring Policies shall belong to and be exercised by Chubb Life HK in accordance with the group policies of the Chubb Group.
24. In this summary of the Schemes, “**rights**” includes all rights, benefits, powers, advantages, claims and causes of action of every description (whether present, future, actual or contingent).

### **Transfer of Transferring Policies**

25. On and with effect from the Effective Date, Chubb Life HK shall be entitled to all rights and powers conferred on or vested with CLICL under, or by virtue of, and be bound by all terms and conditions of, the Transferring Policies and the Transferring Policies shall, with effect from the Effective Date become part of Chubb Life HK’s Long Term Business in Hong Kong.
26. On and with effect from the Effective Date, all rights and powers of the Transferring Policyholders arising under, or by virtue of the Transferring Policies shall cease against CLICL and, subject to the terms of the Schemes, be substituted by identical rights and powers against Chubb Life HK. Chubb Life HK shall be bound by, observe and perform all terms and conditions of the Transferring Policies, assume all liabilities and satisfy all claims and demands arising out of or in connection with the Transferring Policies in every way as if it were Chubb Life HK and not CLICL who issued the Transferring Policies or received the policy applications.
27. On and with effect from the Effective Date, Chubb Life HK shall have the same rights, including set-off rights, defences and counterclaims, under or in connection with the Transferring Policies that CLICL has at the Effective Date.
28. All terms and conditions of the Transferring Policies (including all proposals, quotations, slips, application forms, illustrations, brochures, offering documents, riders, schedules and declarations) shall remain the same on the Effective Date save that on

and with effect from the Effective Date, all references in the Transferring Policies (and in any ancillary document relating thereto) to CLICL, the CLICL Board, the CLICL Appointed Actuary, a CLICL Representative or a person having any other particular relationship with CLICL shall, with effect from the Effective Date, be read as references to Chubb Life HK, the Chubb Life HK Board, the Chubb Life HK Appointed Actuary, the corresponding Chubb Life HK Representative and the person having that relationship with Chubb Life HK (as the case may be). All rights and/or duties exercisable or expressed to be exercisable or responsibilities to be performed by CLICL, the CLICL Board, the CLICL Appointed Actuary or a CLICL Representative in relation to any of the Transferring Policies or related agreements or documents shall, on and with effect from the Effective Date, be exercisable or required to be performed by Chubb Life HK, the Chubb Life HK Board, the Chubb Life HK Appointed Actuary or the corresponding Chubb Life HK Representative (as the case may be).

29. In this regard:

- (a) “**CLICL Board**” means the board of directors from time to time of CLICL;
- (b) “**Appointed Actuary**” means in respect of CLICL or Chubb Life HK, as the case may be, the person who is appointed as its actuary pursuant to section 15(1)(b) of the Insurance Ordinance;
- (c) “**Chubb Life HK Board**” means the board of directors from time to time of Chubb Life HK; and
- (d) “**Representative**” means with respect to CLICL or Chubb Life HK, as the case may be, its office holder, employee undertaking a specific role for and on its behalf or its insurance agent.

### **Transfer of Records**

30. On the Effective Date, all Records, including the Transferring Personal Data, shall be transferred to Chubb Life HK and on and with effect from the Effective Date and Chubb Life HK shall have the same rights and powers to hold and use such Records and Transferring Personal Data as CLICL has at the Effective Date.

31. In this regard, “**Transferring Personal Data**” means the personal data contained in the Records, including the personal data of the Transferring Policyholders, insureds, beneficiaries and assignees of, and other persons relating to, the Transferring Policies, which is subject to the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

### **Other Regulatory Approvals**

32. The change of the issuer of the Transferring Policies that are Class C Policies and also investment-linked insurance schemes (“**ILAS**”) from CLICL to Chubb Life HK requires the approval of the Securities and Futures Commission (the “**SFC**”). The parties will provide the SFC with the relevant documents (collectively referred to as the “**Relevant Documents**”), in order to obtain confirmation that, subject to the grant of the Hong Kong Order and the Bermuda Order, it has no objection to the change in the issuer of these Transferring Policies from CLICL to Chubb Life HK and in order for Chubb Life HK to operate those ILAS with effect from the Effective Date.
33. Both CLICL and Chubb Life HK are registered with the Health Bureau of the Hong Kong Government (the “**Health Bureau**”) as Voluntary Health Insurance Scheme (“**VHIS**”) providers. A number of the Transferring Policies are VHIS policies (the “**Transferring VHIS Policies**”) certified by the Health Bureau. Subject to and by virtue of the Hong Kong Order and with effect from the Effective Date, the issuer of the Transferring VHIS Policies will change from CLICL to Chubb Life HK. The parties will apply to the Health Bureau on the issue of the Hong Kong Petition for re-certification of (i) the Standard Plan underwritten by Chubb Life HK (certification number: S00044) with changes to align it with the Standard Plan underwritten by CLICL (certification number: S00015); and (ii) the Flexi Plan underwritten by CLICL (certification number: F00027) to reflect the change of issuer from CLICL to Chubb Life HK effective from 1 July 2023 (together, the “**Relevant VHIS Policies**”).
34. Other than the Insurance Authority confirming it has no objection to the Hong Kong Scheme and the BMA confirming it has no objection to the Bermuda Scheme, the approval by the Hong Kong Court of the Hong Kong Scheme and the approval by the Bermuda Court of the Bermuda Scheme and the approval of the SFC and the confirmation of the Health Bureau in respect of the re-certification of the Relevant VHIS

Policies referred to in paragraphs 32 and 33 respectively, the parties are satisfied that the Hong Kong Scheme requires no other regulatory approval.

### **Further Assurance**

35. At CLICL's expense, CLICL and Chubb Life HK shall, and shall use all reasonable endeavours to procure that any necessary third party shall, prepare, execute and deliver such documents, deeds, instrument of transfer, assignments or novations in addition to the Schemes, the Hong Kong Order and the Bermuda Order and perform such acts and do such things as may be required for the purpose of giving full effect to the Schemes, to transfer the CLICL Business and all Transferring Policies, Transferring Assets and Transferring Liabilities to Chubb Life HK and in order to effectively transfer, convey, assign, vest and/or record to them and the CLICL Business in Chubb Life HK with effect from the Effective Date.
36. To the extent that the Schemes, the Hong Kong Order and the Bermuda Order are not effective in transferring or vesting in Chubb Life HK any Transferring Policy, Transferring Asset or Transferring Liability (a "**Residual Policy**", "**Residual Asset**" or "**Residual Liability**") on the Effective Date, CLICL shall, pending such effective transfer and vesting:
- (a) be subject to and comply with Chubb Life HK's directions with respect to that Residual Policy, Residual Asset or Residual Liability, as the case may be, and Chubb Life HK shall have authority to act as CLICL's attorney in respect thereof for all such purposes (and CLICL will, at Chubb Life HK's cost, execute a power of attorney to that effect in Chubb Life HK's favour should Chubb Life HK so require);
  - (b) as from the Effective Date, hold all beneficial interest in that Residual Asset, together with all income or other right accrued or return arising in respect thereof, on trust for Chubb Life HK and pay or transfer to Chubb Life HK all proceeds of sale or other amount or property CLICL receives in respect thereof; and
  - (c) as from the Effective Date, hold or assume all liabilities in that Residual Liability for and on behalf of and for the account of Chubb Life HK,

and Chubb Life HK shall have authority to act as CLICL's attorney in respect thereof and for such purposes until the Residual Asset, Residual Liability or Residual Policy, as the case may be, is transferred to Chubb Life HK.

37. On and with effect from the Effective Date, Chubb Life HK shall and at its own expense, assist CLICL to perform its obligations and discharge its liabilities in relation to Residual Policies, Residual Assets and Residual Liabilities.

### **Continuance or Commencement of Proceedings**

38. Subject to and by virtue of the Hong Kong Order and on and with effect from the Effective Date, all Proceedings (as defined above) shall be continued or commenced by Chubb Life HK in substitution for CLICL.

### **Chubb Life HK Insurance Funds**

39. Chubb Life HK shall establish the following Insurance Funds prior to 1 July 2023:

- (a) the Chubb Life HK New Life Fund; and
- (b) the Chubb Life HK New Linked Fund.

40. In this regard:

- (a) **"Chubb Life HK New Life Fund"** means an Insurance Fund for Class A Policies, Class C Policies (non-Unit Linked Benefits), Class D Policies and Class I Policies to be called the "Chubb Life HK New Life Fund (Class A, Class C General Account and Class D)", to be established by Chubb Life HK, prior to 1 July 2023, as a separate Insurance Fund to the Chubb Life HK Legacy Life Fund and maintained by Chubb Life HK with effect from 1 July 2023;
- (b) **"Chubb Life HK New Linked Fund"** means an Insurance Fund for Class C Policies (Unit Linked Benefits) to be called the "Chubb Life HK New Linked Fund (Class C Separate Account)", to be established by Chubb Life HK, prior to 1 July 2023, as a separate Linked Fund to the Chubb Life HK Legacy Linked Fund and maintained by Chubb Life HK with effect from 1 July 2023;

- (c) “**Insurance Fund**” means a statutory fund maintained under section 22(1) or section 22A(1) of the Insurance Ordinance or any other Hong Kong law or regulation, or any other fund established and maintained as authorised by the CLICL Board or the Chubb Life HK Board (as applicable), as a separate account in respect of any class of Long Term Business;
- (d) “**Chubb Life HK Legacy Life Fund**” means an Insurance Fund for Class A Policies, Class C Policies (non-Unit Linked Benefits), Class D Policies and Class I Policies established and maintained by Chubb Life HK prior to the Effective Date and which will continue to be maintained by Chubb Life HK with effect from the Effective Date;
- (e) “**Chubb Life HK Legacy Linked Fund**” means an Insurance Fund for Class C Policies (Unit Linked Benefits) established and maintained by Chubb Life HK as a Linked Fund prior to the Effective Date and which will continue to be maintained by Chubb Life HK with effect from the Effective Date.

#### Allocations

- 41. On and with effect from the Effective Date, the following policies underwritten by CLICL as part of the CLICL Business and which are in force immediately prior to the Effective Date shall be allocated to the corresponding Chubb Life HK Insurance Fund as follows:
  - (a) the Class A Policies, Class C Policies (non-Unit Linked Benefits) and Class D Policies shall be allocated to the Chubb Life HK New Life Fund; and
  - (b) the Class C Policies (Unit Linked Benefits) shall be allocated to the Chubb Life HK New Linked Fund.
- 42. On and with effect from the Effective Date and subject to paragraph 43 below, the Transferring Assets and Transferring Liabilities allocated to the following CLICL Insurance Funds immediately prior to the Effective Date shall be allocated to the corresponding Chubb Life HK Insurance Fund as follows:
  - (a) the Transferring Assets and Transferring Liabilities allocated to the CLICL Legacy Life Fund shall be allocated to the Chubb Life HK New Life Fund; and

- (b) the Transferring Assets and Transferring Liabilities allocated to the CLICL Legacy Linked Fund shall be allocated to the Chubb Life HK New Linked Fund.

43. In this regard:

- (a) “**Chubb Life HK Shareholders’ Fund**” means the shareholders’ fund in respect of the paid-in capital of Chubb Life HK referred to as the Chubb Life Insurance HK Limited Shareholders’ Fund, established by Chubb Life HK prior to the Effective Date and which will be continued to be maintained by Chubb Life with effect from the Effective Date.
- (b) “**Fund Surplus**” means the fund surplus after policy liabilities derived from the Transferring Policies and which is attributable to CLICL’s shareholder;
- (c) “**Linked Fund**” means a notional internal linked fund of CLICL or Chubb Life HK (as applicable) maintained for the purpose of calculating the Unit Linked Benefits payable under Class C Policies;
- (d) “**CLICL Legacy Life Fund**” means the Insurance Fund established and maintained by CLICL prior to the Effective Date in respect of the Class A Policies, Class C Policies (non-Unit Linked Benefits) and Class D Policies of the CLICL Business and referred to as “Chubb Life Insurance Company Ltd. (Hong Kong Branch) Legacy Life Fund (Class A, Class C General Account and Class D)”;
- (e) “**CLICL Legacy Linked Fund**” means the Insurance Fund established and maintained by CLICL prior to the Effective Date as a Linked Fund in respect of the Class C Policies (Unit Linked Benefits) and referred to as “Chubb Life Insurance Company Ltd. Legacy Linked Fund (Class C Separate Account)”;

References to “**Transferring Assets**” do not include the Fund Surplus. The Fund Surplus immediately prior to the Effective Date shall be allocated to the Chubb Life HK Shareholders’ Fund.

44. On and with effect from the Effective Date:

- (a) The beneficial interest in all payments, property and rights held on trust pursuant to paragraph 36(b) above with respect to a Residual Asset shall be allocated to the Chubb Life HK New Life Fund, or the Chubb Life HK New Linked Fund (if applicable), to which Chubb Life HK would have allocated such payment, property and right in accordance with the terms of the relevant Transferring Policy or Residual Policy, as the case may be, but for that falling within the provisions of the paragraph above; and
- (b) the liabilities which are held or assumed by CLICL for the account of Chubb Life HK pursuant to paragraph 36(c) above with respect to a Residual Liability shall be allocated to the Chubb Life HK New Life Fund, or the Chubb Life HK New Linked Fund (if applicable), to which Chubb Life HK would have allocated such liability in accordance with the terms of the relevant Transferring Policy or Residual Policy, as the case may be, but for that falling within the provisions of the paragraph on “Further Assurance” above.

For the avoidance of doubt, all Policies underwritten by Chubb Life HK on and after 1 July 2023 will be allocated to the Chubb Life HK New Life Fund or the Chubb Life HK New Linked Fund, as the case may be.

#### Resolution of Allocation Issues

- 45. Any question, issue or difference of interpretation relating to or connected with the allocation of any Transferring Policy, Transferring Asset or Transferring Liability pursuant to the above paragraphs shall be determined jointly by CLICL and Chubb Life HK in consultation with the CLICL Appointed Actuary and the Chubb Life HK Appointed Actuary (as defined above).

#### **Mandates and Premium**

- 46. All mandates, standing orders, autopay authority, direct debit or other instruction in force on the Effective Date and providing for the payment by a bank or other intermediary of premiums or other amounts payable to or to be received by CLICL or its agent under or in respect of any Transferring Policy or Transferring Asset shall, on and with effect from the Effective Date, take effect as if it had provided for and authorised such payment to or in favour of Chubb Life HK or its agent (as the case may be).



47. Any mandate or other instruction in force on the Effective Date as to the manner of payment by CLICL of any sum payable under any Transferring Policy shall on and with effect from the Effective Date continue in force as an effective mandate or instruction to Chubb Life HK.
48. All premiums, loan repayments (if any, and interest thereon) and other amounts received or receivable by CLICL (or its agents) in respect of any of the Transferring Policies on or after the Effective Date shall be payable to Chubb Life HK (or its agent) after the Effective Date. On and with effect from the Effective Date, the Transferring Policyholders shall account to Chubb Life HK for all premiums payable and all Policy loan repayments due under the Transferring Policies after the Effective Date as and when they become due.
49. Chubb Life HK (or its agent) shall be irrevocably authorised to endorse for payment any cheques, drafts, orders, postal orders or other instruments payable to, or to the order of, CLICL (or its agents) and received by Chubb Life HK (or its agents) in respect of premiums paid or loan repayments (if any) under the Transferring Policies on or after the Effective Date.
50. Chubb Life HK (either itself or via its agent) shall have the sole responsibility for billing and collecting premiums and paying all applicable levies and taxes in respect of premiums accrued under the Transferring Policies on or after the Effective Date.

### **Costs and Expenses**

51. CLICL will bear all costs and expenses related to the Independent Actuary. Save as aforesaid, all costs in relation to the preparation of the Schemes, presentation to the Hong Kong Court and Bermuda Court respectively for sanction and implementation of the transfer of the Transferring Business under the Schemes (including the fees and expenses of any joint legal counsel, counsel for the Insurance Authority, expert or auditor appointed in connection with such transfer and any fees, costs and expenses payable to any court or regulatory authority) with the exception of any internal costs of CLICL will be borne by Chubb Life HK from the Chubb Life HK Shareholders' Fund.

52. None of the costs or expenses referred to in paragraph 51 above shall be borne by the Insurance Funds maintained by CLICL or Chubb Life HK pursuant to the Insurance Ordinance in respect of their Long Term Business or by the policyholders thereof.

### **Modification**

53. CLICL and Chubb Life HK may consent, for and on behalf of themselves and all other persons concerned, to any modification, variation or addition to the Hong Kong Scheme or the Bermuda Scheme, as the case may be, or to any further condition or provision affecting the same which, in each case prior to its sanction of the Hong Kong Scheme, the Hong Kong Court may impose or approve or in each case prior to its sanction of the Bermuda Scheme, the Bermuda Court may impose or approve, provided that reasonable prior notice of such modification, variation or addition has been given to the Insurance Authority and the Independent Actuary.
54. CLICL and Chubb Life HK may apply jointly to the Hong Kong Court for its consent to modify, vary or amend the terms of the Hong Kong Scheme and/or to the Bermuda Court for its consent to modify, vary or amend the terms of the Bermuda Scheme, subject to any conditions which the Insurance Authority may require or the Hong Kong Court or Bermuda Court, as the case may be, may impose, and provided that the parties shall give the Insurance Authority at least three months' written notice prior to making such application and the Insurance Authority or the BMA shall have the right to be heard at the Hong Kong Court hearing or the Bermuda Court hearing, as the case may be, at which the application is considered. If the Hong Kong Court grants its consent to vary the terms of the Hong Kong Scheme, the parties shall be entitled to vary the Hong Kong Scheme in accordance with and subject to that consent. If the Bermuda Court grants its consent to vary the terms of the Bermuda Scheme, the parties shall be entitled to vary the Bermuda Scheme in accordance with and subject to that consent.
55. The consent of Hong Kong Court shall not be required to a variation to the Hong Kong Scheme and the consent of the Bermuda Court shall not be required to a variation to the Bermuda Scheme to correct manifest errors in the Hong Kong Scheme or the Bermuda Scheme, as the case may be, provided that the parties have notified the Insurance Authority of the same and it has indicated that it does not object to that variation.

## **Governing Law**

56. The Hong Kong Scheme shall be governed by and shall be construed in accordance with the laws of Hong Kong. The Bermuda Scheme shall be governed by and shall be construed in accordance with Bermuda law.

## **PART 2**

### **PART A**

#### **FURTHER INFORMATION ON THE HEARING – HONG KONG**

##### **Final Hearing – Hong Kong Scheme**

The Hong Kong Petition for sanction of the Hong Kong Scheme will be heard at the Hong Kong Court. The final hearing, at which the Hong Kong Court will consider whether or not to sanction the Hong Kong Scheme, is scheduled to take place at 10:00 am (Hong Kong time) on 29 November 2023.

The Insurance Ordinance stipulates that any person who alleges that he or she would be adversely affected by the carrying out of the Hong Kong Scheme is entitled to be heard by the Hong Kong Court.

If you do intend to appear at the hearing of the Hong Kong Court, we request you to give preferably not less than three business days' prior written notice of such intention, and the reasons therefor, to the Customer Service Centres of CLICL and Chubb Life HK both located at the following address:

35/F, Chubb Tower  
Windsor House  
311 Gloucester Road  
Causeway Bay  
Hong Kong

(All letters should quote the reference "HCMP 1217 / 2023")

If you intend to object to the Hong Kong Scheme but do not wish to appear at the hearing of the Hong Kong Court, you should give not less than three business days' prior written notice of such intention, and the reasons therefor, to the Customer Service Centres of CLICL and Chubb Life HK at the address stated above.

## **PART B**

### **FURTHER INFORMATION ON THE HEARING – BERMUDA**

#### **Final Hearing – Bermuda Scheme**

The Bermuda Petition for sanction of the Bermuda Scheme will be heard at the Bermuda Court. The final hearing, at which the Bermuda Court will consider whether or not to sanction the Bermuda Scheme, is expected to take place at 10:00 am (Bermuda time) on 24 November 2023.

The Bermuda Insurance Act stipulates that any person who alleges that they would be adversely affected by the carrying out of the Bermuda Scheme is entitled to be heard by the Bermuda Court.

If you do intend to appear at the hearing of the Bermuda Court, we request you to give preferably not less than three business days' prior written notice of such intention, and the reasons therefor, to the Customer Service Centres of CLICL and Chubb Life HK both located at the following address:

35/F, Chubb Tower  
Windsor House  
311 Gloucester Road  
Causeway Bay  
Hong Kong

(All letters should quote the reference "2023 No. 301")

If you intend to object to the Bermuda Scheme but do not wish to appear at the hearing of the Bermuda Court, you should give not less than three business days' prior written notice of such intention, and the reasons therefor, to the Customer Service Centres of CLICL and Chubb Life HK at the address stated above.