

# Scheme summary

## We're proposing to transfer the life insurance business of OnePath Life Limited to Zurich Australia Limited

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### 1. About this scheme summary

OnePath Life Limited ABN 33 009 657 176 (**OnePath Life**) is proposing to transfer its life insurance business to Zurich Australia Limited ABN 92 000 010 195 (**Zurich**).

The proposed transfer is to be made under a scheme that requires confirmation by the Federal Court of Australia under Part 9 of the *Life Insurance Act 1995* (Cth) (**Life Act**). The scheme will not take effect unless it is confirmed by the Federal Court.

This summary, which has been approved by the Australian Prudential Regulation Authority (**APRA**), explains:

- the proposed transfer;
- how the transfer will occur;
- your rights as a policy owner; and
- how the proposed transfer will affect you,

and other aspects of the proposed transfer that you should know about.

A copy of this summary must be given to every owner of a OnePath Life policy that is affected by the scheme. You are receiving this summary because you are the owner of a OnePathLife policy.

### 2. Proposed transfer

In 2019, OnePath Life became part of the Zurich group. We're now proposing to transfer OnePath Life's life insurance business to Zurich. OnePath Life and Zurich are both companies incorporated in Australia which are registered by APRA under the Life Act to carry on life insurance business in Australia.

We're proposing to consolidate these businesses so we can manage our regulatory requirements more efficiently and simplify financial, operational and administrative processes.

### 3. How the transfer will occur

Before the proposed transfer can go ahead, the Federal Court must confirm the scheme under Part 9 of the Life Act. If the Federal Court confirms the scheme, the life policies and insurance liabilities of OnePath Life will be transferred to Zurich in accordance with the terms of the scheme, and OnePath Life policies will be treated as if they had been issued by Zurich rather than OnePath Life.

The scheme will become binding under the Life Act on all persons if it's confirmed by the Federal Court.

### 4. Your rights as a policy owner

As a policy owner affected by the proposed scheme you have the right to:

- obtain a copy of this scheme summary, the scheme, the notice of intention, the actuarial report and the independent actuarial report (**Scheme Documents**) free of charge (see section 11 below for details); and
- attend the Court hearing and request to be heard on the application for confirmation of the scheme (see below for details).

If you'd like to ask further questions or provide feedback about the proposed scheme, you can do this by submitting your questions or comments to us via email or telephone using the details set out in section 11 below. **Further, you may wish to exercise your right to attend the Federal Court hearing and request to be heard by the Federal Court on the scheme.**

A joint application by OnePath Life and Zurich for confirmation of the scheme will be made to the Federal Court in Sydney on 6 July 2022 at 10:15am AEST, or on such other date and time as the Court appoints. If you'd like to appear before the Court, it would assist if you could please contact James Beaton, MinterEllison (02 9921 8888), between 9am and 5pm, at least three business days before the hearing date.

### 5. Effective date of the scheme

The Federal Court will determine the exact time and date of the transfer which we propose will be 12:01am on Monday, 1 August 2022 or such other date agreed between the parties and approved by the Federal Court.

### 6. Who pays for the scheme

Any costs and expenses associated with the proposed transfer under the scheme will be met by Zurich Financial Services Australia Limited, the Australian parent company of each of OnePath Life and Zurich. No costs will be charged to OnePath Life policy owners or Zurich policy owners.

## 7. Opinions of the actuaries

An actuarial report has been prepared jointly by the appointed actuary of OnePath Life (Mr Ian Wong) and Zurich (Mr Stuart Turner) (**Appointed Actuaries**) and an independent actuarial report has been prepared by Mr Martin Paino of KPMG (**Independent Actuary**).

Both the Appointed Actuaries and the Independent Actuary considered the impact of the scheme on the policy owners of OnePath Life and Zurich, including:

- the contractual benefits and other rights of existing policy owners;
- the reasonable benefit expectations of policy owners; and
- the benefit security provided to policy owners after the scheme takes effect, having regard to the investment strategy, capital position and reinsurance arrangements of OnePath Life and Zurich.

### Findings of the Appointed Actuaries

The Appointed Actuaries have concluded, in respect of the effect of the scheme on existing Zurich policy owners and OnePath Life policy owners (whose policies are proposed to be transferred to Zurich), to the effect that:

- there will be no effect on their contractual benefits or other rights;
- there will be no adverse effect on their reasonable benefit expectations;
- each of the statutory funds of Zurich, and Zurich as a whole, will be in a sound financial position immediately following the scheme taking effect; and
- their benefit security after the scheme takes effect will continue to be appropriate.

### Findings of the Independent Actuary

The Independent Actuary has concluded, in respect of existing Zurich policy owners and OnePath Life policy owners (whose policies are proposed to be transferred to Zurich), to the effect that:

- the scheme will have no impact on their contractual rights and benefits;
- the scheme will not have a material impact on their reasonable benefit expectations; and
- the scheme will not result in a material adverse change to their benefit security.

## 8. How the scheme affects you as a policy owner?

### Effect on OnePath Life policy owners

- The scheme won't change the terms and conditions of any policy or affect any right, benefit, liability or claim under any policy issued by OnePath Life (other than that Zurich will become the insurer and your policy will become a Zurich policy rather than a OnePath Life policy).

- Each OnePath Life policy will be made referable to the corresponding statutory fund of Zurich, as shown in the statutory fund changes summary table in section 9. The Life Act requires life insurance companies to establish statutory funds for various types of life insurance business and imposes strict requirements regarding how those funds are to be managed. Every life insurance policy issued by OnePath Life or Zurich is referable to a statutory fund.
- All outstanding claims-related rights and liabilities of OnePath Life under policies will be transferred to Zurich. This will mean that any claims arising under or in connection with any policy must be made against Zurich, rather than OnePath Life.
- All premiums and other amounts payable to or recoverable by OnePath Life under the policies will be payable to and recoverable by Zurich.
- Zurich will be entitled to enforce all rights and remedies previously enforceable by OnePath Life before the scheme under the policies.
- Any claim in relation to a policy being transferred under the scheme that has not been finalised by OnePath Life on the effective date will be transferred to Zurich on that date and will continue to be assessed by Zurich. You will not be required to resubmit your claim.

### Effect on Zurich policy owners

- The scheme won't change the terms and conditions of any policy or affect any right, benefit, liability or claim under any policy issued by Zurich.

### Considerations for both OnePath Life and Zurich policy owners

Following completion of the transfer, Zurich will maintain policies and practices designed to enable it to conduct the business in a manner which satisfies the contractual rights and benefits and reasonable benefit expectations of policy owners and provides adequate benefit security. Zurich will also be required under the Life Act to continue to comply with APRA prudential standards and all other laws applicable to it.

## 9. Statutory fund changes summary

OnePath Life product	OnePath Life Statutory Fund No.	Zurich Statutory Fund No.
Traditional	1	2
Investment Account		
Risk Insurance		
Investment Linked	3	
Traditional	5	
Investment Account		
Risk Insurance		
Annuity		
Investment Linked (Superannuation)	2	3
Variable Annuity Guarantee (Ordinary)	4	

## 10. Class actions

There are currently two class actions commenced against OnePath Life. While the outcome of these actions is currently unknown, after the scheme takes effect the class action proceedings (if still on foot) will be continued against Zurich, rather than OnePath Life. No costs and expenses associated with the class actions will be charged to OnePath Life or Zurich policy owners. Any such costs and expenses will be met by Zurich and will be borne by the Zurich Shareholder Fund.

## 11. How to find out more

We recommend you read the Scheme Documents to learn more about the Scheme and what it means for policy owners.

The Scheme Documents will be available free of charge to download at [zurich.com.au/scheme](http://zurich.com.au/scheme) and [onepath.com.au/scheme](http://onepath.com.au/scheme) from 28 April 2022.

You can also request copies of the scheme documents free of charge by emailing or by calling us as set out below:

- **OnePath Life Scheme Contact Centre:**  
**Telephone:** 1800 161 163  
**Email:** [part9scheme@onepath.com.au](mailto:part9scheme@onepath.com.au)
- **Zurich Scheme Contact Centre:**  
**Telephone:** 1800 161 164  
**Email:** [part9scheme@zurich.com.au](mailto:part9scheme@zurich.com.au)

These contact numbers and email addresses are for scheme enquiries only and will close on confirmation of the scheme by the Federal Court. For policy or claim enquiries please contact us using the usual contact details for OnePath Life and Zurich (as applicable) set out on your policy or claim documents.

The Scheme Documents will also be available for inspection during the hours of 9am to 5pm (local time) Monday to Friday during the period 23 May 2022 to 24 June 2022 (except public holidays in the relevant State or Territory) at the following locations. You can also request a free copy of the Scheme Documents at these locations during these times.

### **New South Wales**

MinterEllison  
Level 40,  
Governor Macquarie Tower  
1 Farrer Place  
Sydney NSW 2000

### **Victoria**

MinterEllison  
Level 20, Collins Arch  
447 Collins Street  
Melbourne VIC 3000

### **Queensland**

MinterEllison  
Level 22, Waterfront Place  
1 Eagle Street  
Brisbane QLD 4000

### **Australian Capital Territory**

MinterEllison  
Constitution Place  
1 Constitution Avenue  
Canberra City ACT 2601

### **Western Australia**

MinterEllison  
Level 4, Allendale Square  
77 St Georges Terrace  
Perth WA 6000

### **Northern Territory**

MinterEllison  
Level 1, 60 Smith Street  
Darwin NT 0800

### **South Australia**

MinterEllison  
Level 10, Grenfell Centre  
25 Grenfell Street  
Adelaide SA 5000

### **Tasmania**

Dobson Mitchell Allport  
59 Harrington Street  
Hobart TAS 7000

This information has been prepared by OnePath Life Limited  
ABN 33 009 657 176, AFSL 238341 and Zurich Australia Limited  
ABN 92 000 010 195, AFSL 232510, both companies within the  
Zurich Financial Services Australia Group.

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