

Frequently Asked Questions (FAQs)

Why is this happening?

In September 2023, Integrity Life Australia Limited (ILAL) ceased writing new life insurance policies in the retail advised and corporate group insurance channels and began the process of responsibly transferring its existing policies to other life insurers.

As part of this process, ILAL is proposing to transfer the majority of its retail life insurance policies to AIA Australia Limited (AIA Australia), a leading life insurer with a strong presence in Australia and across Asia through a Scheme that requires the confirmation of the Federal Court of Australia under Part 9 of the *Life Insurance Act 1995*.

Both ILAL and AIA Australia believe this transfer is in the interests of policy owners, enabling the transferring ILAL policy owners to benefit from AIA Australia's financial strength, experience, and ongoing commitment to the Australian market.

Our priority throughout this process is to protect policy owner interests and ensure a smooth transition.

What happens if the Court confirms the Scheme?

If the Court confirms the Scheme, the majority of ILAL's retail life insurance business will be transferred to AIA Australia on the date specified by the Court (the **Transfer Date**). The Court will only confirm a Scheme where it is satisfied the Scheme will not be detrimental to the interests of affected policy owners, viewed as a whole.

What does this mean for policy owners if the Scheme is confirmed?

For all transferring policies other than consumer credit insurance policies:

- Transferring Life Policies referable to ILAL's Statutory Fund No.1, will become AIA Australia life policies referable to AIA Australia's Statutory Fund No.1.
- The terms and conditions of these policies will be replaced with the terms and conditions in the AIA Australia "Priority Protection" product disclosure statement and policy document. Collectively, we've sought to minimise the extent of changes by carefully mapping Integrity's policy benefits to AIA Australia's policy benefits.
- You will be issued with a new policy document and policy schedule that identifies your new terms and conditions of cover after the transfer has been completed.
- AIA Australia will administer these policies, manage and pay any claims, and meet all other obligations arising under the policy.
- Any premiums will also be payable to AIA Australia, but you won't have to change your payment arrangements – this will happen automatically.

- If the Court confirms the Scheme, the new insurer of your policy will be AIA Australia from the Transfer Date.

For transferring consumer credit insurance policies, jointly issued by QBE Insurance (Australia) Ltd (QBE) and LFI Group Pty Ltd (LFI):

- Transferring Life Policies referable to ILAL's Statutory Fund No.1, will become AIA Australia life policies referable to AIA Australia's Statutory Fund No.1.
- There will be no change to the terms and conditions of these policies.
- QBE or LFI (where relevant) will continue to administer these policies after the transfer, and AIA Australia will be responsible for managing and paying any claims and meeting all other obligations arising under the policy.
- If the Court confirms the Scheme, the new insurer of your policy will be AIA Australia from the Transfer Date.

For AIA Australia life policy owners: There is no change to the terms and conditions of your existing AIA Australia policy.

For Integrity's Corporate Group policies and Five+ Group Income and Life Insurance policy owners: These policies will not be part of the Part 9 Transfer.

For Medibank policies and ahm policies issued by Integrity: These policies will not be part of the Part 9 Transfer.

Do policy owners need to do anything?

If you own a policy which is transferring under the Scheme, your policy will automatically transfer to AIA Australia if the Scheme is confirmed.

What is the process of the Scheme?

Under the Life Act, ILAL is required to provide policy owners with certain information about the proposed Scheme. Once all documentation has been prepared and made available to the policy owners, ILAL will apply to the Court to seek confirmation of the Scheme.

The application for confirmation of the Scheme is scheduled to be heard by the Court on 13 February 2025 at 9.30am. Should the Court confirm the scheme, it will determine the exact time and date of the transfer. ILAL and AIA Australia have proposed an effective date of 1 March 2025 (Transfer Date).

What happens if the Scheme is not confirmed?

The Scheme will not proceed unless it is confirmed by the Court. If the Scheme is not confirmed, then ILAL's Retail business will not transfer to AIA Australia. ILAL will continue to administer your policy and explore alternative options to transfer the business at a later date.

How are policy owner interests being protected?

We're committed to protecting the interests of our policy owners and beneficiaries. As a result, we've conducted a rigorous review and confirmation process, which includes:

- Development of actuarial reports prepared by the appointed actuaries of ILAL and AIA Australia, along with an independent actuary.
- Findings that the Scheme will not materially prejudice the interests of ILAL and AIA Australia's policy owners.
- Copies of the actuaries' reports are available to download on our websites at:
 - www.integritylife.com.au/part-9/; and
 - www.aia.com.au/integritypart9.
- AIA Australia's "Priority Protection" policy is a comparable product to the transferring ILAL product. AIA Australia and ILAL have sought to minimise the extent of changes by carefully mapping the existing insurance benefits to AIA Australia's "Priority Protection" insurance benefits.
- The Scheme is subject to confirmation by the Court. In confirming the Scheme, the Court will consider the impact of the Scheme on policy owners, including any adverse impacts.
- Any affected policy owner may attend the hearing at the Court and can request to be heard on the application for confirmation of the Scheme. If you wish to be heard at the hearing, please contact the lawyers for ILAL before the scheduled hearing date of 13 February 2025 at 9.30am:
 - ILAL, Hall & Wilcox, Level 18, 347 Kent Street, Sydney NSW 2000 (Tel: 02 8267 3800); or
 - the lawyers for AIA Australia, Ashurst, Level 16, 80 Collins Street, Melbourne VIC 3000 (Tel: 03 9679 3000).

Can a policy owner opt-out of the transfer?

If the proposed Scheme is confirmed by the Court, the transferring ILAL policies will automatically transfer to AIA Australia. The Scheme does not involve a process to opt out of it.

What products are part of the Scheme?

A list of transferring products is available in the Scheme Document and the Scheme Summary documents available on our websites at:

- www.integritylife.com.au/part-9/; and
- www.aia.com.au/integritypart9.

If you're a Corporate Group or Five+ Group Income and Life policy owner, you're not transferring under this Part 9 Scheme.

How do policy owners access the Scheme documents?

You can view the Scheme document, Scheme Summaries, and the actuarial reports regarding the Scheme on our websites at:

- www.integritylife.com.au/part-9/; and
- www.aia.com.au/integritypart9.

You can request a copy of the Scheme document and the actuarial reports free of charge by contacting:

- ILAL on 1300 54 33 66 or emailing part9@integritylife.com.au; and
- AIA Australia on 1800 333 613 or emailing au.integritypart9@aia.com.

What administrative changes will I notice?

For transferring ILAL life policy owners, you may notice a change to the reference that appears on your bank statements, and future communications sent to you about your policy will be issued by AIA Australia.

Can policy owners make changes to their product or policy?

To ensure a smooth transition, transferring ILAL policy owners can continue to request changes to their policy:

- Until 10 January 2025, for any requests that require underwriting for example increasing cover or review of a loading or exclusion, subject to all requirements being met.
- Until 10 February 2025, for all other requests, subject to all requirements being met.

Between 11 February 2025 and the Transfer Date, no policy changes will be possible. Following the Transfer Date, policy owners can request policy changes to AIA Australia.

Whilst all efforts have been made to provide you an equivalent policy under an AIA Australia Priority Protection policy if you would like to make changes to your policy, these changes can be made after the 1st of March 2025.

What premium changes will occur?

The proposed Scheme involves changes to the terms and conditions of your Policy, including changes to the amount of premium payable. Premium changes will be communicated to impacted policy owners at least 30 days prior to the Transfer Date.

Will the Scheme impact **current and future claims or disputes?**

For transferring policy owners, the Scheme will not affect:

- active insurance claims or insurance claims under assessment.
- active requests, or complaints submitted.
- claims decisions that are under internal review or in dispute.

Policy owners who are currently on claim or who may make a claim in the future, will be better off as a result of the Scheme because AIA Australia can provide greater financial security for these claims.

How can policy owners share **feedback on the Scheme?**

You can provide feedback during the consultation period by:

ILAL

- sending us a message through our online form. We will contact you within 5 days;
- sending us an email at part9@integritylife.com.au; or
- contacting us by phone at 1300 54 33 66 between 9am - 5pm (AEST), Monday to Friday.

AIA Australia

- Completing Feedback DocuSign form located on Part 9 Website;
- sending us an email at au.integritypart9@aia.com; or
- contacting us by phone at 1800 333 613 between 8am - 6pm (AEST), Monday to Friday.

All feedback will be captured, and a summary will be provided to the Federal Court as part of its consideration of the Scheme.

The consultation period will begin on the date the Notice of Intention is published and will continue until shortly before the confirmation hearing, scheduled to be held at 9.30am on 13 February 2025. If you do not provide feedback to ILAL prior to the confirmation hearing (for whatever reason), you can still attend the Court hearing and request to be heard on the application for confirmation of the Scheme.