

Claim Nature:

- A. Non-monetary claim only
- B. Company (except companies winding-up)

HCMP

12/2023  
1217



IN THE HIGH COURT OF THE  
HONG KONG SPECIAL ADMINISTRATIVE REGION  
COURT OF FIRST INSTANCE  
MISCELLANEOUS PROCEEDINGS NO. 1217 OF 2023

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IN THE MATTER OF CHUBB LIFE INSURANCE  
COMPANY LTD.

1<sup>st</sup> Petitioner

and

IN THE MATTER OF CHUBB LIFE INSURANCE  
HONG KONG LIMITED

2<sup>nd</sup> Petitioner

and

IN THE MATTER OF AN APPLICATION UNDER  
SECTIONS 24 AND 25 OF THE INSURANCE  
ORDINANCE (CAP. 41)

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PETITION

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To: The High Court of Hong Kong

**THE HUMBLE PETITION OF** (i) Chubb Life Insurance Company Ltd. 安達人壽保險有限公司 (“**CLICL**”), whose principal place of business in Hong Kong is at 35/F, Chubb Tower, Windsor House, 311 Gloucester Road, Causeway Bay, Hong Kong; and (ii) Chubb Life Insurance Hong Kong Limited 安達人壽保險香港有限公司 (“**Chubb Life HK**”), whose principal place of business in Hong Kong is at 35/F, Chubb Tower, Windsor House, 311 Gloucester Road, Causeway Bay, Hong Kong (together, the “**Joint Petitioners**”),  
**SHOWETH AS FOLLOWS:**

## INTRODUCTION

1. By this Petition, the Joint Petitioners seek an order of this Honourable Court:
  - (a) under section 24 of the Insurance Ordinance (Chapter 41 of the Laws of Hong Kong) (the “**Insurance Ordinance**”), sanctioning the scheme (the “**Scheme**”, which is annexed to this Petition as “**Annexure 1**”) for the proposed transfer from CLICL to Chubb Life HK of the whole of the long term business carried on by CLICL in Hong Kong; and
  - (b) under section 25(1) of the Insurance Ordinance making ancillary provisions for implementing the Scheme as this Honourable Court shall consider appropriate.

## PARTIES

2. CLICL is a company incorporated on 28 July 1976 under the laws of Bermuda with its registered office at 17 Woodbourne Avenue, Hamilton HM08, Bermuda. CLICL is registered with the Bermuda Monetary Authority (the “**BMA**”) under section 4 of the Insurance Act 1978 of Bermuda (and its related regulations) (the “**Bermuda Insurance Act**”) 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.
3. CLICL was incorporated under its former name “THE TRAVELERS LIFE INSURANCE COMPANY (OVERSEAS) LTD.” and changed its name to “Chubb Life Insurance Company Ltd.” with effect from 28 April 2016.
4. CLICL was registered in Hong Kong as a non-Hong Kong company for the purposes of Part 11 of the former Companies Ordinance (Chapter 32 of the Laws of Hong Kong) (now Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)) on 31 August 1984.
5. CLICL is an insurer authorised under the Insurance Ordinance (an “**Authorised Insurer**”) by the Insurance Authority to carry on long term business (as defined under the Insurance Ordinance) (“**Long Term Business**”) in the following classes

of Long Term Business as set out in Part 2 of Schedule 1 to the Insurance Ordinance (the “**Relevant Classes**”):

- (a) Class A (Life and annuity);
  - (b) Class C (Linked long term);
  - (c) Class D (Permanent health); and
  - (d) Class I (Retirement scheme management category III).
6. Although CLICL is authorised to carry on Class I (Retirement scheme management category III) of Long Term Business, it has never carried on that class of Long Term Business in or from Hong Kong. The Policies (as defined in the Scheme) to be transferred by CLICL to Chubb Life HK under the Scheme (the “**Transferring Policies**”) include all Class A Policies, all Class C Policies and all Class D Policies underwritten by CLICL prior to 1 September 2023.
7. 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”.
8. Chubb Life HK is also an Authorised Insurer with authorisation to carry on Long Term Business in the Relevant Classes in or from Hong Kong.

## **ACQUISITION**

9. On 1 July 2022, Chubb International Investments Limited, a subsidiary of Chubb Limited which is the ultimate parent company of the Chubb group of companies (the “**Chubb Group**”), purchased the entire issued share capital of Chubb Life HK (the “**Acquisition**”).
10. Prior to the Acquisition, Chubb Life HK was 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).

11. The Acquisition is part of the Chubb Group's wider 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. This complementary strategic acquisition considerably expanded Chubb Group's presence in the Asia-Pacific region, which it sees as a long-term growth area, and in particular its life insurance business in that region.
12. 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. With effect from 27 October 2022, Chubb Life HK changed its name from "CIGNA Worldwide Life Insurance Company Limited" to "Chubb Life Insurance Hong Kong Limited".
13. On completion of the Acquisition, CLICL and Chubb Life HK entered into an agreement (defined in the Scheme as the "**Policy Administration Agreement**"), pursuant to which Chubb Life HK outsourced the administration of its Long Term Business to CLICL in order for this to be carried out in parallel with CLICL's administration of its own Long Term Business.
14. Chubb Life HK subsequently suspended underwriting new insurance business with effect from 30 September 2022.
15. In preparation for the Proposed Transfer (as defined in paragraph 16 below), 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 the 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 the 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.

## THE SCHEME

16. As part of the strategic acquisition referred to in paragraph 11 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, the Joint Petitioners propose that the CLICL Business (as defined in the Scheme) be transferred from CLICL to, and assumed by, Chubb Life HK (the “**Proposed Transfer**”). For this purpose and on or before the issue of this Petition, CLICL and Chubb Life HK will enter into a transfer agreement (the “**Transfer Agreement**”) pursuant to which the Joint Petitioners will agree, as between themselves, internal Chubb Group matters in connection with the Proposed Transfer, including the novation of various business contracts relating to the CLICL Business from CLICL to Chubb Life HK. The terms of the Transfer Agreement are aligned with the terms of the Scheme and the terms of the Transfer Agreement are incorporated into the Scheme insofar as they relate to the CLICL Business to be transferred to Chubb Life HK under the Scheme. The Proposed Transfer will, therefore, form part of the transactions contemplated by the Transfer Agreement.
17. The Proposed Transfer falls within section 24(1) of the Insurance Ordinance. The Scheme provides for the Proposed Transfer and, in accordance with section 24(1)

of the Insurance Ordinance, is conditional on the sanction of this Honourable Court.

18. CLICL and Chubb Life HK propose that:
  - (a) the CLICL Business be transferred from CLICL to Chubb Life HK in accordance with the terms of the Scheme and subject to the order of this Honourable Court made pursuant to section 24 of the Insurance Ordinance; and
  - (b) ancillary provisions be made by the order of this Honourable Court pursuant to section 25(1) of the Insurance Ordinance in respect of, inter alia, the Transferring Assets and Transferring Liabilities (as those terms are defined in the Scheme) in accordance with the terms of the Scheme.
19. The Proposed Transfer under the Scheme will not proceed unless the Scheme is sanctioned by this Honourable Court.
20. CLICL and Chubb Life HK consider that the benefits of the Proposed Transfer will, subject to it becoming effective, include:
  - (a) combining CLICL's Long Term Business with Chubb Life HK's Long Term Business thereby:
    - (i) avoiding duplication of insurance products, management, administration, servicing and cybersecurity monitoring of separate IT systems; and
    - (ii) improving the efficiency of policy servicing, accounting, audit, regulatory and actuarial compliance;
  - (b) removing the need for the Chubb Group to maintain two Authorised Insurers in Hong Kong thereby:
    - (i) simplifying Chubb Group's corporate structure in Hong Kong;

- (ii) achieving regulatory alignment and streamlining regulatory compliance by focussing this in Hong Kong (as Chubb Group's Long Term Business in Hong Kong will be subject to the Hong Kong regulatory regime alone and not to Bermuda regulatory requirements that currently apply with respect to CLICL as a company incorporated in Bermuda) thereby removing the additional resource burden in managing different risk profiles and regulatory regimes;
  - (iii) avoiding duplication of risk management assessments including carrying out Own Risk and Solvency Assessments for both CLICL and Chubb Life HK; and
  - (iv) creating greater synergies between Chubb Group companies in Hong Kong; and
- (c) enabling simpler, clearer and more transparent communications:
- (i) with Transferring Policyholders (as defined in the Scheme), by removing any confusion arising out of the Chubb Group having two different Authorised Insurers carrying on Long Term Business in Hong Kong; and
  - (ii) with Chubb Life HK Policyholders (as defined in the Scheme), as their Policies will be both held and administered by Chubb Life HK rather than held by Chubb Life HK and administered by CLICL under the Policy Administration Agreement; and
- (d) facilitating Chubb Group's strategic plans for Chubb Life HK, as a company incorporated in Hong Kong, to take advantage of the Hong Kong Government's efforts to enable Authorised Insurers to expand their Long Term Business into the Greater Bay Area.

21. After the Effective Date:

- (a) Chubb Life HK will carry on the CLICL Business as successor to CLICL with effect from the Effective Date;

- (b) CLICL and Chubb Life HK will terminate the Policy Administration Agreement; and
- (c) CLICL intends to apply to the Insurance Authority to be de-authorised as an Authorised Insurer and to the BMA to surrender its Class E long term business licence.

## **BERMUDA SCHEME**

- 22. In addition to the applications under this Petition, the Joint Petitioners will seek an order from the Supreme Court of Bermuda (the "**Bermuda Court**") sanctioning the Bermuda Scheme (as further defined in the Scheme), pursuant to section 25 of the Bermuda Insurance Act (the "**Bermuda Order**").
- 23. The purpose of the Bermuda Scheme is to transfer the CLICL Business from CLICL (being a company incorporated in Bermuda and, therefore, subject to the Bermuda Insurance Act) to Chubb Life HK pursuant to section 25 of the Bermuda Insurance Act.
- 24. The Proposed Transfer will not become effective until the Effective Date, and unless the Scheme is sanctioned by this Honourable Court and the Bermuda Scheme is sanctioned by the Bermuda Court.

## **INDEPENDENT ACTUARY'S REPORT**

- 25. Ms. Cindy Chou, who is associated with the firm of Willis Towers Watson US LLC (the "**Independent Actuary**") and is a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries, has on 25 July 2023 prepared a report on the terms of the Scheme and her opinion on the likely effects of the Scheme on the Transferring Policyholders and the Chubb Life HK Policyholders based on the financial information of CLICL and Chubb Life HK as at 31 December 2022 (the "**Independent Actuary's Report**"). In particular, the Independent Actuary has considered in relation to the Transferring Policyholders and the Chubb Life HK Policyholders, the likely effects of the Scheme on their reasonable



expectations with regard to benefits and levels of service and on their financial security.

26. The Independent Actuary's Report (in English and Chinese) is attached hereto as Annexure 2 in accordance with section 24(2) of the Insurance Ordinance.
27. The Independent Actuary concludes in the Independent Actuary's Report that:
  - (a) the Scheme will not adversely affect the contractual benefits or rights of the Transferring Policyholders or the Chubb Life HK Policyholders in any respect;
  - (b) the Scheme will not adversely affect the reasonable benefit expectations of the Transferring Policyholders or the Chubb Life HK Policyholders in any respect;
  - (c) the Scheme will not adversely affect the financial security of the Transferring Policyholders' benefits or the Chubb Life HK Policyholders in any respect;
  - (d) the Scheme will not adversely affect the expected levels of service for the Transferring Policyholders or the Chubb Life HK Policyholders in any respect; and
  - (e) the Scheme provides sufficient safeguards to ensure that it operates as presented.
28. A supplementary report by the Independent Actuary (the "**Supplementary Report**") will be prepared in order to provide an update on the relevant financial information of CLICL and Chubb Life HK as at 30 June 2023 and to confirm whether there are any changes to the conclusions of the Independent Actuary set out in the Independent Actuary's Report. It is expected that the Supplementary Report will be filed with this Honourable Court by 31 August 2023.

**STATUTORY NOTICE, STATUTORY STATEMENT AND POLICYHOLDER INFORMATION PACK**

29. In accordance with the requirements of section 24(3)(a) of the Insurance Ordinance, the Joint Petitioners will publish in the Government of the Hong Kong Special Administrative Region Gazette (the "**Gazette**") (in English and Chinese) and both an English language newspaper and a Chinese language newspaper (being in each case a newspaper specified in a list of newspapers approved for such purposes by the Chief Secretary for Administration in Hong Kong), on or before the date set for the final hearing of this Petition, a notice stating, inter alia, that an application to this Honourable Court has been made by this Petition under section 24(1) of the Insurance Ordinance (the "**Statutory Notice**").
30. The Joint Petitioners propose, unless this Honourable Court otherwise directs, to send the statutory statement required under section 24(3)(b) of the Insurance Ordinance including, inter alia, a statement (in both English and Chinese) setting out the terms of the Scheme and a summary (in both English and Chinese) of the Independent Actuary's Report sufficient to indicate the opinion of the Independent Actuary on the likely effects of the Scheme on the Transferring Policyholders and Chubb Life HK Policyholders (the "**Statutory Statement**") to:
- (a) every member of CLICL and every member of Chubb Life HK (being Chubb INA International Holdings Ltd. and Chubb International Investments Limited respectively) by ordinary post to their respective registered address at the time that the Statutory Statement is sent to them;
  - (b) each Transferring Policyholder with a Transferring Policy in force as at 30 June 2023 by ordinary post and by email to their last known postal address and email address on the relevant register at the time that the Statutory Statement is sent to them;
  - (c) each Transferring Policyholder with a Transferring Policy which has expired, terminated, matured or been surrendered as at 30 June 2023, but who has claims or payments outstanding under such Transferring Policy or from whom a notice of claim has been received by CLICL, by ordinary post and by email to their last known postal address and email

address on the relevant register at the time that the Statutory Statement is sent to them;

- (d) each Transferring Policyholder with a Transferring Policy which has lapsed as at 30 June 2023, but where such Transferring Policy is still capable of being reinstated under a reinstatement option (if any) under the Transferring Policy (each reinstatement period being three years from the lapse date), by ordinary post and by email to their last known postal address and email address on the relevant register at the time that the Statutory Statement is sent to them;
- (e) each person who has submitted, on or before 30 June 2023, an application in writing to CLICL for a Policy but whose application is still pending as at 30 June 2023 (a "**CLICL Applicant**"), by ordinary post and by email to their postal address and email address set out in that application;
- (f) each Chubb Life HK Policyholder who has a Policy with Chubb Life HK which is in force as at 30 June 2023 by ordinary post and by email to their last known postal address and email address on the relevant register at the time of sending that Statutory Statement to them; and
- (g) each person who submits, between 1 July 2023 and the date set for the substantive hearing of this Petition, an application in writing to Chubb Life HK for a Chubb Life HK Policy (a "**Chubb Life HK Applicant**") by ordinary post and by email to their postal address and email address set out in that application,

and with only one Statutory Statement being required to be sent to a Transferring Policyholder who falls within more than one of paragraphs (b) to (d) above.

31. The Joint Petitioners propose to send to the Transferring Policyholders set out in paragraph 30(b) to (d) above and the Chubb Life HK Policyholders set out in paragraph 30(f) above, and to provide to the CLICL Applicants (when they apply for a CLICL Policy) and the Chubb Life HK Applicants (when they apply for a Chubb Life HK Policy), a circular (the "**Policyholder Information Pack**") comprising:

- (a) a cover letter (in English and Chinese) (in a form adapted for use depending on whether the recipient is a Transferring Policyholder, a CLICL Applicant, a Chubb Life HK Policyholder or a Chubb Life HK Applicant);
  - (b) frequently asked questions (in English and Chinese) with regard to the Scheme and the Joint Petitioners' joint answers to those questions;
  - (c) the Statutory Statement which includes:
    - (i) a summary of the terms of the Scheme (in English and Chinese);
    - (ii) a summary of the Independent Actuary's Report (in English and Chinese);
  - (d) a copy of the Statutory Notice (in English and Chinese); and
  - (e) a copy of the statutory notice published in the Royal Gazette in Bermuda stating, inter alia, that an application to the Bermuda Court has been made.
32. The Joint Petitioners also propose to send a text message to each of the persons described in paragraphs 30(b) to (g) above at their last known mobile telephone number on the relevant register to inform them that a Policyholder Information Pack will be sent to them.
33. In respect of a Transferring Policyholder, CLICL Applicant, Chubb Life HK Policyholder or Chubb Life HK Applicant under paragraphs 30(b) to (g) above for whom CLICL or Chubb Life HK (as the case may be) does not have a valid email address on the relevant register, the Joint Petitioners propose to send the Policyholder Information Pack to them by registered mail to their last known postal address on the relevant register.
34. If the Policyholder Information Pack sent to a Transferring Policyholder, CLICL Applicant, Chubb Life HK Policyholder or Chubb Life HK Applicant under paragraph 30, 31 or 33 above is returned to CLICL or Chubb Life HK, as the case may be, prior to this Honourable Court making an order sanctioning the Scheme,

such that the Joint Petitioners have reasonable grounds to believe the Policyholder Information Pack has not been delivered to that Transferring Policyholder, CLICL Applicant, Chubb Life HK Policyholder or Chubb Life HK Applicant, as the case may be, CLICL will make reasonable efforts to contact/communicate with that Transferring Policyholder or CLICL Applicant, as the case may be (including contacting them directly via telephone, email and/or text message or via a CLICL licensed insurance agent or via a licensed insurance broker) and Chubb Life HK will make reasonable efforts to communicate with that Chubb Life HK Policyholder or Chubb Life HK Applicant, as the case may be, (including contacting them directly via telephone, email and/or text message or via a Chubb Life HK licensed insurance agent or via a licensed insurance broker, to confirm how the Policyholder Information Pack can be sent to them including ascertaining their up-to-date address. Transferring Policyholders, CLICL Applicants, Chubb Life HK Policyholders and Chubb Life HK Applicants whom CLICL or Chubb Life HK (as the case may be) are unable to contact after making such reasonable efforts will be classified as uncontactable ("**Uncontactable**").

35. This Honourable Court is respectfully asked to direct that the requirement that the Statutory Statement includes a statement setting out the full terms of the Scheme be dispensed with and that a summary of the terms of the Scheme be set out in its place. The Joint Petitioners respectfully make this request on the basis that:
- (a) the terms of the Scheme are relatively complicated and may be too technical for the Transferring Policyholders, CLICL Applicants, Chubb Life HK Policyholders and Chubb Life HK Applicants to follow and so this may lead to unnecessary confusion;
  - (b) a full copy of the Scheme (in both English and Chinese), which is annexed to this Petition, will be made available:
    - (i) on the website of CLICL and Chubb Life HK at <https://www.chubb.com/hk-en/> (English) and <https://www.chubb.com/hk-zh/> (Chinese) (the "**Chubb Life Website**"); and
    - (ii) for inspection at the offices of CLICL and Chubb Life HK both located at 35/F, Chubb Tower, Windsor House, 311 Gloucester

Road, Causeway Bay, Hong Kong (the “**Chubb Life’s Offices**”);  
and

- (c) recipients of a Statutory Statement will be informed that they may review a full copy of the Scheme on the Chubb Life Website.

36. This Honourable Court is also respectfully asked to direct that the sending of a Statutory Statement to the following classes of persons be dispensed with:

- (a) all other long term policyholders of CLICL or Chubb Life HK (as the case may be) other than those persons expressly provided for in paragraphs 30(b) to (g) (inclusive) above as:

- (i) the Independent Actuary concludes in the Independent Actuary’s Report that in her opinion there is no material adverse impact on the reasonable expectations with regard to benefits and levels of service and financial security of such other long term policyholders;

- (ii) for Transferring Policyholders whose Transferring Policy has lapsed, expired, terminated, matured or been surrendered before 1 July 2023, and who:

- (aa) do not have any claim or payment outstanding under that Transferring Policy;

- (bb) have not made a claim under that Transferring Policy; and

- (cc) do not have a Transferring Policy which is capable of being reinstated,

it is unlikely they will have any rights and/or obligations under that Transferring Policy and so they are unlikely to be affected by the Proposed Transfer; and

- (iii) the issue of the Statutory Statement to those long term policyholders of CLICL whose Policies are not included in the Transfer would cause them unnecessary confusion; and
  - (b) Uncontactable Transferring Policyholders, Uncontactable CLICL Applicants, Uncontactable Chubb Life HK Policyholders and Uncontactable Chubb Life HK Applicants (as it is expected that if correspondence were sent to these Transferring Policyholders, CLICL Applicants, Chubb Life Policyholders or Chubb Life HK Applicants it would not reach them and would be returned to CLICL or Chubb Life HK, as the case may be, with CLICL or Chubb Life HK incurring wasted postage and administration costs).
37. The Joint Petitioners undertake that in compliance with section 24(3)(c) of the Insurance Ordinance, copies of this Petition, the Independent Actuary's Report, the Supplementary Report and the Statutory Statement will be served on the Insurance Authority at least 21 days prior to the substantive hearing of this Petition.
38. The Joint Petitioners undertake that in compliance with section 24(3)(d) of the Insurance Ordinance, copies of this Petition and the Independent Actuary's Report will be made open to inspection at the Chubb Life's Offices for a period of not less than 21 days beginning with the date of the first publication of the Statutory Notice.
39. The Joint Petitioners undertake to make the following documents available on the Chubb Life Website:
- (a) the Petition;
  - (b) a full copy of the Scheme (in English and Chinese);
  - (c) the Independent Actuary's Report (in English and Chinese);
  - (d) the Policyholder Information Pack, including the Statutory Statement (in English and Chinese);

on the date of the publication of the Statutory Notice and until the end of the substantive hearing of the Petition.

40. The Joint Petitioners undertake to make the Supplementary Report available on the Chubb Life Website from on or before 31 August 2023 and until the end of the substantive hearing of the Petition.
41. The Joint Petitioners undertake that in compliance with section 24(4) of the Insurance Ordinance, they will provide a copy of this Petition, the Independent Actuary's Report and the Supplementary Report free of charge to any person who requests a copy at any time before this Honourable Court makes an order sanctioning the Scheme.

#### **THE INSURANCE AUTHORITY AND THE BMA**

42. The Joint Petitioners have had regular discussions with, and sought comments from, the Insurance Authority on the Proposed Transfer as set out in the Scheme and related matters (including the terms of reference for the Independent Actuary, the terms of the Scheme, the form of the Independent Actuary's Report and the contents of the Statutory Statements). The Insurance Authority's comments on those documents as at the date of this Petition have been incorporated into those documents.
43. The Joint Petitioners have also had discussions with the BMA regarding the Proposed Transfer pursuant to the Hong Kong regime under the Insurance Ordinance and the intended Bermuda Order.

#### **OTHER REGULATORY APPROVALS**

44. The Transferring Policies that are Class C Policies are also investment-linked insurance schemes ("**ILAS**"). The change of the issuer of such ILAS from CLICL to Chubb Life HK therefore requires the approval of the Securities and Futures Commission ("**SFC**"). In addition to CLICL and Chubb Life HK serving on the Insurance Authority the documents prescribed by section 24(3)(c) of the Insurance Ordinance and confirming that the Insurance Authority has no objection to the Scheme, the parties will provide the SFC with a copy of those documents in order to obtain its approval to the change in the issuer of the relevant ILAS from CLICL



to Chubb Life HK and in order for Chubb Life HK to operate those ILAS with effect from the Effective Date.

45. Both CLICL and Chubb Life HK are registered with the Health Bureau of the Hong Kong Government ("**Health Bureau**") as Voluntary Health Insurance Scheme ("**VHIS**") providers. A number of the Transferring Policies are VHIS policies ("**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 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**").
46. Other than the Insurance Authority confirming it has no objection to the Scheme and the BMA confirming it has no objection to the Bermuda Scheme, the approval by this Honourable Court of the Scheme and the approval by the Bermuda Court of the Bermuda Scheme and the approval of the SFC and Health Bureau referred to in paragraphs 44 and 45 respectively above, the parties are satisfied that the Scheme requires no other regulatory approval.

**THE JOINT PETITIONERS THEREFORE PRAY AND HUMBLY PETITION THIS HONOURABLE COURT** for the following:

- (1) an Order pursuant to section 24 of the Insurance Ordinance sanctioning the Scheme in the form of Annexure 1 to this Petition;
- (2) an Order pursuant to section 25 of the Insurance Ordinance, making ancillary provision in connection with the Scheme for the following matters (using the definitions set out in the Scheme):
  - (i) on and with effect from the Effective Date, each Transferring Asset shall, by the Hong Kong Order and without any further act or instrument or investigation or requisition, but subject to paragraph (2)(xx) below,

be transferred to, and be vested in, Chubb Life HK, subject to any Encumbrances thereof, in accordance with the Scheme;

- (ii) on and with effect from the Effective Date, each Transferring Liability shall, by the Hong Kong Order and without any further act or instrument or investigation or requisition, but subject to paragraph (2)(xx) below, be transferred to, and become a liability of, Chubb Life HK 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;
- (iii) the transfers made pursuant to paragraphs (2)(i) and (ii) above and paragraph (vi) below shall have effect notwithstanding any inconsistent provision in any agreement or arrangement to which CLICL and/or Chubb Life HK is a party;
- (iv) on and with effect from the Effective Date, Chubb Life HK shall become entitled to all rights and powers conferred on or vested in 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;
- (v) 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 Scheme, be substituted by identical rights and powers against Chubb Life HK and 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;
- (vi) 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;

- (vii) on and with effect from the Effective Date:
  - (A) Chubb Life HK shall succeed to all rights, powers and liabilities of CLICL in respect of the Transferring Personal Data;
  - (B) Chubb Life HK shall become the data user of the Transferring Personal Data in place of CLICL and shall be deemed to have been the data user of that Transferring Personal Data at all material times when that Transferring Personal Data was collected;
  - (C) any consent or notice given or request made by any person to CLICL with respect to the Transferring Personal Data shall be deemed to have been made to Chubb Life HK; and
  - (D) in any consent referred to in sub-paragraph (C) above, a reference to CLICL shall be deemed to include a reference to Chubb Life HK;
- (viii) neither the transfer of the Transferring Business nor the Scheme shall, in relation to the Transferring Business or any Transferring Policy, Transferring Asset or Transferring Liability and whether before or after the Effective Date:
  - (A) invalidate, discharge or result in the termination of any Policy, agreement, instrument, trust deed, indenture, Encumbrance, right or liability; or
  - (B) constitute a breach of or default, event of default, potential event of default, termination event, mandatory prepayment event, enforcement event, perfection event or other similar event or condition (however described) under, or allow any person to terminate, any Policy, agreement, instrument, trust deed,

indenture, Encumbrance, right, interest, benefit, power, obligation or title; or

- (C) require any registration, re-registration or filing or any amendment to any existing registration or filing in respect of any Policy, agreement, instrument, trust deed, indenture, Encumbrance, right, interest, benefit, power, obligation or title; or
  - (D) require any person to perform any new or additional obligation or to take any new or additional step or action (other than, in each case, as required under the Scheme), including the giving of any notice, the obtaining of any consent, approval or determination, the accession to any agreement, the payment of any fee, cost, expense, interest or other amount, the granting of any new or additional Encumbrance or the transfer of any asset or property; or
  - (E) entitle or require any person to exercise any right or remedy, to reduce, suspend, delay, alter or discharge its rights or obligations, to accelerate, terminate, suspend, delay, alter or discharge the performance of any rights or obligations or otherwise to vary, amend, disclaim, repudiate or terminate any policy, agreement, instrument or Encumbrance; or
  - (F) affect the enforceability, priority or ranking of any Encumbrance;
- (ix) Chubb Life HK shall, on and with effect from the Effective Date have the same rights, including set-off rights, defences and counterclaims, under or in connection with the Transferring Policies that CLICL has as at the Effective Date;
  - (x) 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 those of CLICL prior to the Effective Date;

- (xi) on and with effect from the Effective Date, the Transferring Policyholders shall account to Chubb Life HK for all premiums payable and for all Policy loan repayments due under the Transferring Policies after the Effective Date as and when they become due;
- (xii) 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) and 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);
- (xiii) the transfer of any rights, powers and liabilities under or in connection with any Transferring Policy, Transferring Asset or Transferring Liability pursuant to the Scheme shall take effect and shall be valid and binding on all persons having any interest in the same notwithstanding any restriction on transferring, assigning or otherwise dealing with the same and such transfer shall be deemed to take effect on the basis that it does not contravene any such restriction and does not give rise to any right to terminate, modify, acquire or claim an interest or right, or to treat an interest or right as terminated or modified;

- (xiv) on and with effect from the Effective Date, all Proceedings shall be continued or commenced by or against Chubb Life HK in substitution for CLICL, and Chubb Life HK shall be entitled to all claims, counterclaims, defences, defences to counterclaims, settlements, rights of set-off and any other rights available CLICL in respect of the Proceedings;
- (xv) 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);
- (xvi) 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;
- (xvii) 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;
- (xviii) 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;
- (xix) 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;

(xx) to the extent that the Scheme and the Hong Kong Order are not effective in transferring or vesting in Chubb Life HK any Transferring Policy, Transferring Asset or Transferring Liability on the Effective Date (a "**Residual Policy**", "**Residual Asset**" or "**Residual Liability**", as the case may be), 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 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) until the Residual Asset, Residual Liability or Residual Policy, as the case may be, is transferred to Chubb Life HK;

(xxi) Chubb Life HK shall, on and with effect from the Effective Date 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;

(xxii) 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;

(xxiii) on and with effect from the Effective Date and subject to paragraph (2)(xxiv), 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 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 Linked Fund shall be allocated to the Chubb Life HK New Linked Fund;

(xxiv) references to Transferring Assets in paragraph (2)(xxiii) above do not include the Fund Surplus; the Fund Surplus immediately prior to the Effective Date shall instead be allocated to the Chubb Life HK Shareholders' Fund;

(xxv) on and with effect from the Effective Date:



- (A) the beneficial interest in all payments, property and rights held on trust pursuant to paragraph (2)(xx)(B) 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 paragraph (2)(xx); and
  - (B) the liabilities which are held or assumed by CLICL for the account of Chubb Life HK pursuant to paragraph 2(xx)(C) 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 paragraphs (2)(xx);
- (xxvi) subject to paragraph (2)(xxvii), CLICL and Chubb Life HK be at liberty to apply jointly to the Honourable Court for its consent to modify, vary or amend the terms of the Scheme, subject to any conditions which the Insurance Authority may require or this Honourable Court may impose, and provided that:
- (A) the proposed modification, variation or amendment has been approved by the CLICL Appointed Actuary and the Chubb Life HK Appointed Actuary and by the CLICL Board and the Chubb Life HK Board;
  - (B) the Insurance Authority has been notified of, and has the right to be heard at any hearing of the court at which such application is considered (in the case of the Insurance Authority, three months' prior notice shall be given); and
  - (C) such application shall be accompanied by a certificate from an independent actuary to the effect that in their opinion, the proposed modification, variation or amendment will not

materially and adversely affect the reasonable benefit expectations or the financial security of the Transferring Policyholders;

- (xxvii) the consent of this Honourable Court shall not be required in relation to modification(s), variations(s) or amendment(s) to the Scheme to correct manifest errors in the Scheme or when the modification(s), variation(s) or amendment(s) is/are reasonably considered by the Joint Petitioners to be necessary to ensure that the provisions of the Scheme operate in the intended manner where there is a change in the relevant laws or regulations and provided the Joint Petitioners have notified the Insurance Authority of the same and it has indicated that it does not object to that/those modification(s), variation(s) or amendment(s);
- (3) that the production of a copy of the Order and the Scheme (as may be amended from time to time) shall for all purposes be conclusive evidence of the transfer to, and vesting in, Chubb Life HK of the Transferring Business, the Transferring Policies, the Transferring Assets and the Transferring Liabilities on and from the Effective Date;
- (4) that in accordance with section 25(4) of the Insurance Ordinance, Chubb Life HK shall within 10 days from the date of the Hong Kong Order, or such longer period as the Insurance Authority shall allow, deposit two office copies of the Hong Kong Order with the Insurance Authority;
- (5) the Joint Petitioners shall post this Petition, the Scheme, the Independent Actuary's Report dated 25 July 2023, the Supplementary Report (once it is available) and the Policyholder Information Pack (including the Statutory Statement) on the Chubb Life Website and maintain that posting until the Effective Date;
- (6) that there shall be liberty for the Joint Petitioners to apply for such incidental consequential and supplemental orders as may be expedient or necessary for the purposes set out in section 25 of the Insurance Ordinance, or pursuant to paragraph 16 of the Scheme or generally;

- (7) that Chubb Life HK shall bear the costs of the Insurance Authority in relation to this application and shall pay such costs out of its shareholders' funds; and
- (8) such other order(s) as this Honourable Court shall deem appropriate.

A copy of this Petition, the Scheme, the Statutory Statement and the Independent Actuary's Report shall be served on the Insurance Authority at 19/F, 41 Heung Yip Road, Wong Chuk Hang, Hong Kong.

Dated the 31<sup>st</sup> day of July 2023



**Kennedys**

Solicitors for the Joint Petitioners

This Petition was issued by Kennedys of 37th Floor, Oxford House, Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong, solicitors for the Joint Petitioners.

**ENDORSEMENT**

This Petition having been presented to the Court on the 31<sup>st</sup> day of July 2023,  
it is ordered that the Petition shall be heard as follows :

Date : Wednesday, the 20<sup>th</sup> day of September 2023  
Time : 9:30 a.m.  
Place : High Court

HCMP 121/2023

IN THE HIGH COURT OF THE  
HONG KONG SPECIAL ADMINISTRATIVE REGION  
COURT OF FIRST INSTANCE  
MISCELLANEOUS PROCEEDINGS NO. 121 OF 2023

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IN THE MATTER OF CHUBB LIFE INSURANCE  
COMPANY LTD.

1<sup>ST</sup> Petitioner

and

IN THE MATTER OF CHUBB LIFE INSURANCE  
HONG KONG LIMITED

2<sup>ND</sup> Petitioner

and

IN THE MATTER OF AN APPLICATION UNDER  
SECTIONS 24 AND 25 OF THE INSURANCE  
ORDINANCE (CAP.41)

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PETITION

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Dated this 31<sup>ST</sup> day of July 2023

Filed this 31<sup>ST</sup> day of July 2023

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Ref: CHL/HKC314-1050584 (RAB)

Solicitors for the 1<sup>ST</sup> Petitioner and 2<sup>ND</sup> Petitioner