

Transfer of the New South Wales motor vehicle compulsory third party insurance portfolio of Zurich Australian Insurance Limited to Gordian RunOff Limited

Summary of Scheme

Introduction

Zurich Australian Insurance Limited (ABN 13 000 296 640) (“**Zurich**”) is proposing to transfer its New South Wales motor vehicle compulsory third party insurance portfolio written under the NSW motor accidents CTP insurance regime governed by the *Motor Accidents Act 1988* (NSW), the *Motor Accidents Compensation Act 1999* (NSW) and the *Motor Accident (Lifetime Care and Support) Act 2006* (NSW) (“**NSW CTP Portfolio**”) to Gordian RunOff Limited (ABN 11 052 179 647) (“**Gordian**”) (the “**Proposed Transfer**”). Gordian is an Australian Prudential Regulation Authority (“**APRA**”) authorised general insurer and a wholly owned subsidiary of Enstar Group Limited (registered in Bermuda under company number 30916) (“**Enstar**”).

The Proposed Transfer is to be made under a Scheme that requires confirmation by the Federal Court of Australia (“**Court**”) under Division 3A of Part III of the *Insurance Act 1973* (Cth) (“**Act**”).

The Scheme will only take effect after it has been confirmed by the Court.

This summary, which has been approved by APRA, explains:

- the Proposed Transfer;
- how the Proposed Transfer will occur;
- your rights as a policyholder or a claimant;
- how the Proposed Transfer will affect you,

and other aspects of the Proposed Transfer that you should know about.

Why am I receiving this summary?

You are receiving this summary because:

- you were or are a holder (or a representative of a holder) of a NSW motor vehicle compulsory third party insurance policy that was issued by Zurich and is proposed to be transferred under the Scheme (“**Transferring Policy**” or “**Zurich NSW CTP Policy**”), and in respect of which there is a notified claim which is in progress or otherwise outstanding;
- you are a person (or a representative of a person) who has a notified claim which is in progress or otherwise outstanding in respect of a Transferring Policy; or
- you are a person (or a representative of a person) who has a notified compulsory third party insurance claim with Zurich under the Nominal Defendant Scheme.

Details of the Proposed Transfer

The Proposed Transfer involves the transfer by Zurich of the NSW CTP Portfolio to Gordian by way of a Scheme under Division 3A of Part III of the Act.

Accordingly, if the Scheme is confirmed by the Court, all of the policies written by Zurich and referable to the NSW CTP Portfolio will be transferred to Gordian with effect from 12.01 am on 31 December 2018, or such other date and time as the Court may determine (the “**Transfer Time**”).

This means that with effect from the Transfer Time under the Scheme, Gordian will acquire Zurich’s rights, and assume Zurich’s liabilities and obligations, including the liability to pay benefits, in respect of the Transferring Policies.

In addition to the Transferring Policies, Gordian will also acquire Zurich’s rights, and assume Zurich’s liabilities and obligations, in respect of certain other assets and contracts with effect from the Transfer Time under the Scheme.

How the Proposed Transfer will occur

The terms of the Proposed Transfer are recorded in a document known as a “Scheme”.

Zurich and Gordian have applied to the Court to seek its confirmation of the Scheme to effect the Proposed Transfer. The Court has power to confirm, modify or reject the Scheme under Division 3A of Part III of the Act. As such, the Scheme will not take effect unless and until it is confirmed by the Court.

The Court application will be heard in Sydney at the Law Court’s Building located at Queen’s Square on 18 December 2018 at 10.15am.

If the Court confirms the Scheme, the Zurich NSW CTP Policies being transferred to Gordian will be treated as if they had been issued by Gordian rather than Zurich. The Scheme will become binding on all parties as of the Transfer Time. Before the Scheme can take effect, Gordian must obtain a licence under the *Motor Accidents Compensation Act 1999* (NSW) (the NSW CTP legislation under which Zurich is currently licensed and which applies to the Transferring Policies).

Right to be heard by the Court

Any person affected by the Scheme may attend the Court hearing and can request to be heard by the Court at the hearing on 18 December 2018 at 10.15am.

If you wish to be heard at the hearing, you may contact Zurich’s lawyers, King & Wood Mallesons (Attention: Meredith Paynter), Governor Phillip Tower, Level 61, 1 Farrer Place, Sydney NSW 2000 (telephone 02 9296 2000 and fax 02 9296 3999) or Gordian’s lawyers, HWL Ebsworth (Attention: Mark Kimberley), Level 14, Australia Square 264-278 George Street, Sydney NSW 2000 (telephone 02 9334 8793 and fax 02 8507 6582) before the hearing date.

You are not required to take any action if you have no objection to the Proposed Transfer or the Scheme.

It is important that you assess how the Scheme will affect you. You may find it helpful to examine the Scheme document and the actuarial reports to gain a fuller understanding of the Scheme. Please see below under “Access to documents about the Scheme” and “Further information” for details on how to inspect or obtain copies of these documents.

How will your policy or claim be affected?

The effect of the Scheme is that the insurer of the Transferring Policies will become Gordian rather than Zurich with effect from the Transfer Time.

The terms of the Transferring Policies will otherwise remain the same and you will continue to have the same rights, benefits and liabilities under or in respect of any Transferring Policy or claim in respect of any Transferring Policy as you do now.

Zurich will continue to be the insurer of the Transferring Policies, and will remain legally responsible for the management of the Transferring Policies, up until the Transfer Time (at which point that responsibility will pass to Gordian). Enstar Australia Limited (ABN 99 096 363 923) (“**Enstar Australia**”), another wholly owned subsidiary of Enstar, has been handling claims made in respect of the Policies on behalf of Zurich since 15 June 2018 and, if the Proposed Transfer is successfully implemented, Enstar Australia will continue to handle claims made in respect of the Policies after the Transfer Time on behalf of Gordian.

What is the impact of the transfer on your policy?

Gordian engaged Geoff Atkins from Finity to prepare an actuarial report on which the Scheme is based, which is dated 13 November 2018 (“**First Actuarial Report**”).

In summary, Mr Atkins has concluded that “the interests of the affected policyholders – the NSW CTP insurance policyholders of Zurich transferring to Gordian – will not be adversely affected in a material way as a consequence of the Insurance Scheme”.

Zurich engaged Kaise Stephan from Deloitte to prepare an actuarial report on the Scheme, which is dated 14 November 2018 (“**Second Actuarial Report**”).

In summary, Mr Kaise has concluded that “the interests of the transferring CTP Portfolio policyholders, remaining post-transfer policyholders of Zurich and existing pre-transfer policyholders of Gordian are not materially adversely affected by the Transfer”.

Both the First Actuarial Report and the Second Actuarial Report are available for you to inspect. Please see below under “Access to documents about the Scheme” and “Further information”.

Access to documents about the Scheme

You may:

- **View this Scheme Summary, the Scheme, the actuarial reports and the Notice of Intention** free of charge on the website www.zurich.com.au/ctptransfer.
- **Obtain a copy of the Scheme, this Scheme Summary, the actuarial reports and the Notice of Intention free of charge.** You may obtain copies of these documents at the places set out below under “Further information” during the period 21 November 2018 to 11 December 2018, or by calling Zurich’s Customer Care Centre on 1800 290 838 during the hours of 9:00am to 5:00pm Monday to Friday AEST during the period 21 November 2018 to 18 December 2018 (except public holidays in New South Wales).
- **Inspect a copy of the Scheme, this Scheme Summary, the actuarial reports and the Notice of Intention free of charge.** You may do this at the places set out below under “Further information” between 21 November 2018 and 11 December 2018.

Further information

You may inspect a copy of this Scheme Summary, the Scheme, the actuarial reports and the Notice of Intention from 21 November 2018 to 11 December 2018 at the places set out below during the hours of 9:00am and 5:00pm Monday to Friday (excluding public holidays in the relevant State or Territory):

NSW: HWL Ebsworth
 Level 14
 Australia Square
 264-278 George Street
 Sydney NSW 2000
 Contact: Receptionist

QLD: HWL Ebsworth
 Level 19
 480 Queen Street
 Brisbane QLD 4000
 Contact: Receptionist

ACT: HWL Ebsworth
 Level 5, HWL Ebsworth Building
 6 National Circuit
 Barton ACT 2600
 Contact: Receptionist

VIC: HWL Ebsworth
 Level 26
 530 Collins Street
 Melbourne VIC 3000
 Contact: Receptionist

WA: HWL Ebsworth
 Level 11, Westralia Plaza
 167 St Georges Terrace
 Perth WA 6000

Contact: Receptionist

SA: HWL Ebsworth
Level 21
Westpac House
91 King William Street
Adelaide SA 5000
Contact: Receptionist

TAS: HWL Ebsworth
Level 9
85 Macquarie Street
Hobart TAS 7000
Contact: Receptionist

NT: HWL Ebsworth
Level 9, Mitchell Centre
59 Mitchell Street
Darwin NT 0800
Contact: Receptionist

Costs of the transfer - how will they be met?

The total cost of the transfer, including the Court application, will be met by Zurich and Gordian.

Enquiries

If you have any concerns or you would like to obtain more information about the Proposed Transfer or the Scheme, please feel free to contact Zurich's Customer Care Centre on 1800 290 838 or Enstar Australia on (02) 8062 4288 between 9:00am to 5:00pm AEST Monday to Friday during the period 19 November 2018 to 18 December 2018 (except public holidays in New South Wales).

Gordian's and Enstar Australia's contact details after the Proposed Transfer

If the Court confirms the Scheme, then from the Transfer Time, all claims, enquiries and other questions about your policy should be directed to Gordian/Enstar Australia. Their contact details are as follows:

Telephone: (02) 8062 4288
Email: complianceaustralia@enstargroup.com
Mailing address: GPO Box 3931, Sydney NSW 2001