

Aioi Nissay Dowa Insurance Co Ltd Scheme Summary Document

Proposed transfer of the run-off portfolio insurance business of Aioi Nissay Dowa Insurance Co Ltd ABN 39 096 302 466 (AIOI) to Aioi Nissay Dowa Insurance Company Australia Pty Ltd ABN 11 132 524 282 (ADICA) – Scheme under Division 3A of Part III of the *Insurance Act 1973*

1. Scheme Summary

AIOI is proposing to transfer the insurance business of AIOI (Australia Branch) to ADICA.

2. Scheme Background

AIOI is taking steps to transfer its insurance business to ADICA in order to:

- 2.1 efficiently manage our regulatory requirements;
- 2.2 achieve better alignment between our legal structure and the way we run our business; and
- 2.3 to simplify our financial and administrative processes.

As part of this internal reorganisation, AIOI intends to transfer its run-off portfolio insurance business (**Insurance Business**) to ADICA.

AIOI is currently an authorised insurer under the *Insurance Act 1973* (Cth) (**Insurance Act**) and until 31 December 2013 underwrote Toyota Insurance, Lexus Insurance and PowerTorque Insurance branded general insurance policies. It ceased to issue or renew contracts of insurance after that date and this is a condition of its authorisation under the Insurance Act.

The proposed transfer of the Insurance Business will be effected by a single scheme (**Scheme**) under Division 3A of Part III of the Insurance Act.

Subject to confirmation of the Scheme by the Federal Court of Australia (**Court**) and the receipt of all necessary government approvals, it is proposed that the Insurance Business will be transferred to ADICA under the Scheme. The terms and conditions are summarised below in Section 4.

The Scheme will become binding on all persons if it is confirmed by the Court.

3. Your rights

Any policyholder under a policy affected by the Scheme or who in the Court's opinion may be affected by the Scheme is entitled to, and has the right to attend the Court hearing and request to be heard by the Court on the application by AIOI for confirmation of the Scheme on 23 June 2023 at 9.15am at 184 Phillip St, Sydney 2000 NSW.

Additionally, any person who holds a policy affected by the Scheme has the right to obtain a copy of the Scheme free of charge on request and will be provided with access to the Scheme documents including the actuarial report so as to consider the impact of the Scheme on their interests (See Section 8 below).

An application for confirmation of the Scheme will be made to the Court in Sydney. If you wish to appear at the hearing, it would assist if you could first contact our lawyer, Ms Natalie Caton of DLA Piper Australia at least three (3) days before the date fixed for hearing. Ms Caton's contact details are as follows:

DLA Piper Australia
Level 22, 1 Martin Place
Sydney, NSW 2000.
Telephone No. : (07) 3246 4161
Email: natalie.caton@dlapiper.com

4. Parties to the Scheme

AIOI is a foreign company registered in Australia and is authorised by the Australian Prudential Regulation Authority (**APRA**) under the Insurance Act to carry on run-off insurance business in Australia.

AIOI is part of the MS&AD Insurance Group Holdings Inc global group of companies and has operated in Australia as a branch of the Aioi Nissay Dowa Insurance Co Ltd parent company.

ADICA is a subsidiary of AIOI and is also part of the MS&AD Insurance Group Holdings Inc global group of companies. Since 2008, ADICA has been managing AIOI's day-to-day operations. From 2014, AIOI ceased writing insurance business and has been in run-off ever since. Since that time ADICA has been authorised by APRA under the Insurance Act to carry on insurance business in Australia and has obtained its own Australian Financial Services Licence. The Scheme is for an intra-group transfer of the Insurance Business within the MS&AD Insurance Group Holdings Inc group of companies.

ADICA can be contacted at:

Aioi Nissay Dowa Insurance Company Australia Pty Ltd
Level 8
390 St Kilda Road
Melbourne VIC 3004

Phone: 1300 013 372
Email: customerservice@adica.com.au

5. Details of the Scheme

Subject to confirmation:

- 5.1 that the Treasurer has no objection to the acquisition by ADICA of the Insurance Business under section 41 of the *Insurance Acquisitions and Takeovers Act 1991* (Cth) which, if made on conditions, on such conditions that are acceptable to AIOI and ADICA; and
- 5.2 of the Scheme by the Court, which if made on conditions, on such conditions that are acceptable to AIOI and ADICA,

it is proposed that the Insurance Business will be transferred to ADICA in accordance with the terms of the Scheme at a date agreed between the parties and approved by the Court.

The Insurance Business to be transferred includes the liabilities under all of the insurance policies issued by AIOI in Australia on or before 31 December 2013 (**Transferring Policies**), as well as certain assets and liabilities related to the Insurance Business. Following the transfer, ADICA will indemnify AIOI against all future claims, losses, liabilities, costs and expenses that might arise in connection with the Transferring Policies.

Any stamp duty or other costs and expenses incurred in connection with the Scheme will not be paid by or charged to policyholders, but will be met by ADICA.

6. What is the impact of the transfer on your policy?

AIOI and ADICA have obtained an actuarial report (**Actuarial Report**) from Don Johnstone of Taylor Fry (**Independent Actuary**) who considered whether the proposed transfer will materially affect AIOI and ADICA policyholders and claimants.

In summary, the Independent Actuary has concluded that the proposed transfer of the Insurance Business from AIOI to ADICA is not expected to have any material consequences for the policyholders and claimants of AIOI, ADICA or their parent company Aioi Nissay Dowa Insurance Co. Ltd.

7. Effect of the Scheme

The Scheme will not change the terms of any Transferring Policy, or affect any Claim in respect of any Transferring Policy issued by AIOI other than ADICA becoming the insurer in place of AIOI.

Policyholders will continue to have the same rights and obligations under or in respect of any Transferring Policy or Claim but with ADICA as the insurer. The Scheme will also reflect the change in insurer as follows:

- 7.1 all outstanding Claims-related rights and liabilities of AIOI in respect of the Transferring Policies will be transferred to ADICA such that any Claims arising under or in connection with any Transferring Policy must be made against ADICA, rather than AIOI;
- 7.2 all premiums and other amounts payable to or recoverable by AIOI under the Transferring Policies will be payable to and recoverable by ADICA;
- 7.3 ADICA will be entitled to enforce all rights and remedies which but for the Scheme would have been enforceable by AIOI under or in respect of the Transferring Policies;
- 7.4 any policyholder or other person who has a Claim on or obligation to AIOI under or in respect of a Transferring Policy will have the same Claim on or obligation to ADICA in substitution for the Claim on or obligation to AIOI irrespective of when such Claim or obligation arose.

Following completion of the transfer, ADICA will be required under the Insurance Act to continue to comply with APRA's prudential standards and all other requirements under the Insurance Act.

We do not anticipate that the Scheme will have any material effect on your policy or on any claim. Unless a person has an objection to the Scheme, policyholders are not required to take any action before, or as a result of, the Scheme.

8. Further information

A copy of this Scheme Summary, the Scheme, the Actuarial Report upon which the Scheme is based, and the Notice of Intention (**Scheme Documents**) are available (free of charge) on the websites listed below or can be inspected at the locations listed below between 9.00am and 5.00pm each day (other than weekends and public holidays) from 22 May 2023 to 13 June 2023 (inclusive).

Websites

www.adica.com.au

www.toyota.com.au/car-insurance

www.lexus.com.au/finance/insurance-and-warranty

www.powertorquefinance.com.au

Locations

New South Wales

DLA Piper
Level 22
1 Martin Place
Sydney NSW 2000

Queensland

DLA Piper
Level 9
480 Queen Street
Brisbane QLD 4000

South Australia

Deloitte
Level 17
11 Waymouth Street
Adelaide SA 5000

Australian Capital Territory

Deloitte
8 Brindabella Circuit
Brindabella Business Park
Canberra Airport
Canberra ACT 2609

Victoria

DLA Piper
Level 14
80 Collins Street
Melbourne VIC 3000

Western Australia

DLA Piper
Level 21
240 St Georges Terrace
Perth WA 6000

Tasmania

Deloitte
Level 8
22 Elizabeth Street
Hobart TAS 7000

Northern Territory

Deloitte
Level 11
24 Mitchell Street
Darwin NT 0800

On request, each affected policyholder may obtain a full copy of the Scheme Documents by contacting AIOI on 1300 856 590 during the hours of 8.30am to 5.00pm Monday to Friday AEST or by email at customerservice@adica.com.au.

If you have any questions in relation to the Scheme or any information contained in this summary, please contact AIOI on 1300 856 590 during the hours 8.30am to 5:00pm Monday to Friday AEST during the period from 22 May 2023 to 13 June 2023 (except public holidays in Melbourne, Victoria) or by email at customerservice@adica.com.au. This telephone number and email are strictly for enquiries relating to the Scheme. For queries about a policy or claim, please contact AIOI using the usual contact details for your insurer as set out on your policy or claim documents.

9. AIOI's contact details after the Scheme is implemented

If the Court confirms the Scheme, then from the transfer time, all claims, enquiries and other questions about your transferring policy should be directed to ADICA. ADICA's contact details are:

Telephone: 1300 013 372

Email: customerservice@adica.com.au

