

Transfer of general reinsurance business from Swiss Re Corporate Solutions Ltd (Labuan Branch) ("SRCS Labuan Branch") to Swiss Re International SE, Labuan Branch ("SRI Labuan Branch")

Frequently Asked Questions

1. Why is Swiss Re Corporate Solutions making this transfer of business from Swiss Re Corporate Solutions Ltd (Labuan Branch) ("SRCS Labuan Branch") to Swiss Re International SE, Labuan Branch ("SRI Labuan Branch")?

On the 25 September 2020, [Swiss Re made an announcement](#) regarding the streamlining of the legal entity structure of the Swiss Re Group such that Swiss Reinsurance Company Ltd. (SRZ) will be the sole direct wholly-owned operating subsidiary of Swiss Re Ltd, the Group's ultimate parent entity. SRZ will hold all of the Group's business units including the Corporate Solutions business. Separately, as part of the legal entity restructuring, Swiss Re Corporate Solutions Ltd (SRCS) will merge with SRZ, subject to requisite approvals.

The Group initiative seeks to streamline the Swiss Re Group legal entity structure to realize capital, tax and operational efficiencies as well as enable funding flexibility and improved fungibility with centralized balance sheet. Moving forward, this new structure will enable Corporate Solutions to underwrite business with the backing of an even stronger balance sheet and increased capital efficiency.

In view of the merger between SRCS and SRZ, Swiss Re's operations in Labuan will need to be "re housed" to another entity. Hence, the transfer of SRCS Labuan Branch's reinsurance business to SRI Labuan Branch ("the Transfer") is part of this Swiss Re Group initiative.

2. What is the background of Swiss Re International (SRI)? Who owns Swiss Re International (SRI) and how will SRI Labuan Branch be capitalized?

Swiss Re International (SRI) is a licensed insurer incorporated in Luxembourg and regulated by the Commissariat aux Assurances, Luxembourg. It is the main Corporate Solutions entity operating in Asia, currently present in five countries with six offices, operating through branches and one subsidiary in Shanghai. SRI shares the same S&P core status within the Swiss Re Group with a financial strength rating of AA- (S&P).

SRI will be wholly owned by the newly created Corporate Solutions Holding Company under SRZ. This new holding company will hold all Corporate Solutions businesses under it.

3. What is the impact of this change to customers/brokers?

There will be no impact save for a change in your counterparty. Terms and conditions of our agreements and obligations with our clients and brokers will remain the same and you will continue to be served by the same local team.

Malaysia continues to be an important market in Asia in terms of market size, growth, fit with Corporate Solutions' core value proposition and appetite for large corporate accounts. Swiss Re will continue to operate as a Tier II reinsurance carrier in Malaysia through the new SRI Labuan Branch and it will be business as usual for us in Malaysia.

4. How will the transfer of our reinsurance contract take place?

Existing reinsurance contracts with SRCS Labuan Branch will be transferred to and vested in the newly established SRI Labuan Branch by way of a scheme of transfer under Section 172 of the Labuan Financial Services and Securities Act 2010 ("Scheme"). Upon the approval of the Scheme by the High Court, SRI Labuan Branch will be responsible for providing the reinsurance coverage and service for the contract(s) including processing claims arising under the contract(s) from the Effective Date of the Scheme.

SRI Labuan Branch is a registered Labuan Branch of SRI and will be licensed as a general reinsurer in Labuan as of the Effective Date of the Scheme.

5. Will there be any change to the terms of our reinsurance contracts, or each party's rights and obligations under the contract?

No. The Transfer will not affect client's and our rights and obligations under existing reinsurance contract(s). From the Effective Date of the Scheme, clients will have the same rights and obligations available to them under their reinsurance contract(s) and SRI Labuan Branch will assume SRCS Labuan Branch's rights and obligations under the same reinsurance contract(s).

6. Will new contracts be issued for our existing contracts?

Existing contracts remain valid and will be automatically transferred to and vested in SRI Labuan Branch pursuant to the Scheme. No new contracts need to be issued following the transfer made pursuant to the Scheme.

7. How does the Transfer under the Scheme affect the payment of premiums?

After the Effective Date of the Scheme, all premiums payable under reinsurance contract(s) with SRCS Labuan Branch are to be made payable to SRI Labuan Branch. Any premium payments, which SRCS Labuan Branch receives after the Effective Date of the Scheme, will be transferred to SRI Labuan Branch. We will furnish payment instructions and bank account details directly to clients' Finance department in due course.

8. What if we made a claim before the Effective Date of the Scheme and the claim has not been settled by the Effective Date of the Scheme?

If a client has made a claim before the Effective Date of the Scheme, existing contract terms and conditions will continue to govern the assessment of the claim. SRI Labuan Branch will take over the processing of the claim from SRCS Labuan Branch on and from the Effective Date of the Scheme and be responsible for any subsequent payment to the client. Clients do not need to submit a new claim form as the information will be automatically transferred from SRCS Labuan Branch to SRI Labuan Branch.

9. What if we make a claim after the Effective Date of the Scheme based on a reinsurance contract with SRCS Labuan Branch?

If a client makes a claim after the Effective Date of the Scheme namely after the reinsurance contract has been transferred from SRCS Labuan Branch and vested in SRI Labuan Branch, SRI Labuan Branch will assess and process the claim and be responsible for any subsequent payments to the clients.

10. How will the renewal of our reinsurance contract be affected by the Transfer under the Scheme?

Contracts that are in the process of being renewed and due for renewal post the Effective Date, will be automatically renewed under the Scheme with the newly formed SRI Labuan Branch, as the scope of contracts to be included in the Scheme will include slips and quotations made to the client.