

Put Simply: Frequently Asked Questions

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ACQUISITION OF AMP LIFE

Will there be any change to the terms and conditions of policy?

No. The terms and conditions of your AMP Life policy will remain the same.

Will I need to change the payment details for my policy?

Not at this stage, no.

Will I receive new policy documents from Resolution Life?

No, you will not receive new policy documentation.

Why is a foreign company buying AMP Life?

The acquisition of AMP Life by Resolution Life is neither unexpected nor extraordinary. The life insurance industry is undergoing profound change. In fact, it has been for at least two decades. For example, insurance markets have globalised, low interest rates have reduced investment returns, artificial intelligence and data analytics have transformed the way insurers price and market their products.

These factors — and others — have greatly intensified competition in this mature industry.

The increasing competition has placed insurers under pressure to improve the way they do business. Some are focusing on product innovation; others on their distribution systems or how they can make better use of technology.

Many life insurance companies are reorganising their businesses. Some, like AMP Life, are selling off non-core, less profitable and capital-intensive business units. Others, like Resolution Life, are using mergers and acquisitions to build scale, improve operating performance and access new markets in an environment where meeting the core promises to life insurance policyholders is the reason the company exists. The purchase of AMP Life is Resolution Life's entry into the Australian and New Zealand market.

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Can I trust Resolution Life with my life insurance policy?

Resolution Life is a name you can trust. Since 2003, our businesses have raised and invested over US\$15 billion of equity in the acquisition, reinsurance, consolidation and management of 28 life insurance companies. Together, these companies have served the needs of more than 10 million policy holders while safely managing upwards of US\$320 billion in assets supporting these policies.

Will Resolution Life increase premiums?

Resolution Life's success is contingent upon our ability to retain customers. Increasing premiums in a manner which is out of step with the market would drive policy owners away and be detrimental to our business. Our expectation is premiums will remain competitive.

Why is this deal good for AMP policyholders?

Resolution Life's core business is the acquisition and management of life insurance businesses and portfolios that focus on existing (also known as in-force) customers. We have the experience, expertise and track record to manage, along with the local management team and board of directors, AMP's life insurance business and provide policy holders with high quality customer service. When it joins the Resolution Life Group, AMP Life will become part of a global manager of in-force life insurance portfolios.

AMP Life will remain well capitalised. Meeting its commitments to policy holders will always be our priority.

Under Resolution Life's ownership, your policy will continue to be managed by the current AMP Life management team and employees.

The terms and conditions of your policy will remain unchanged after the sale completes.

Why does Resolution Life want to buy AMP Life?

For Resolution Life, the purchase of AMP Life is an opportunity to add a great company with a solid reputation to our group. We like the business, know the business, and value the people who have been running it. The AMP Life business will provide Resolution Life with a solid foundation for growth in Australia and New Zealand.

Why weren't AMP Life's policyholders given an opportunity to approve the Resolution Life deal?

All insurance company acquisitions are required to go through regulatory approval. As the AMP Life deal impacts Australia and New Zealand, both APRA and the RBNZ must approve the transaction. It is the regulators' role to determine whether the sale is appropriate. Before giving their approval, APRA and RBNZ will review the transaction and consider its impact on policyholders. The regulators' key concern is protecting the interests of policy holders.

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At what stage is the deal now?

We are in the process of obtaining the required regulatory approvals. We expect the AMP Life sale to close around 30 June 2020.

What will happen if the AMP Life sale does not proceed?

We would certainly be disappointed if the AMP Life sale did not proceed. What AMP might want to do with AMP Life were the transaction not to proceed is a question for AMP.

The Banking Royal Commission strongly criticized AMP's customer practices. What will Resolution Life do differently?

We are aware of areas where AMP has made commitments to improve. Where they relate to AMP Life, we will uphold those commitments. We have a strong track record in the management of life insurance businesses and providing policy holders with a high level of customer service and treating customers fairly.

What is an 'in-force' life insurance specialist?

In October 2018, AMP Life announced it would close its books to new business and transition to in-force management.

An 'in-force' life insurer focuses exclusively on servicing and retaining its existing customers. The terms 'in-force' and 'closed book' mean much the same thing.

AMP Life made this change to its business model in response to market demand for life insurance, having determined it no longer wished to sell life insurance policies to new customers.

Will my policy be managed overseas?

No, your policy will continue to be managed by the local AMP Life management team in Australia and New Zealand. There will be no change in where or how your AMP Life policy is managed.

Will Resolution Life be able to keep using the AMP Life brand?

Under our agreement, the AMP Life brand will be retained on all life insurance products through 2021 but is then likely to change.

Will Resolution Life be offering its own products in Australia or New Zealand?

Resolution Life's focus is on existing customers and keeping the promises that were made to them. AMP Life will continue to review its products to ensure they remain appropriate for policy holders.

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If AMP Life is now a closed book, does that mean I can't make changes to my life insurance?

As a 'closed book' AMP Life is no longer focusing on new customers. Its focus is on serving the needs of its existing customers.

If your policy's terms and conditions permit you to make changes — for example, to apply for additional coverage or switch to a different product — those options will still be available. The terms and conditions of your AMP Life policy will not change. AMP Life will continue to review its products to ensure they remain appropriate.

Contact your financial advisor to get advice that is right for you or call AMP Life for help in understanding the changes you can make to your policy.

What about applications that are in progress? Will the changes I have applied for with AMP Life still be processed?

All AMP Life processes and procedures will remain the same for existing customers. If you have already applied to make changes to a policy, the application will be handled in the same way – and by the same AMP Life team – as it is today.

I currently have a claim underway with AMP Life. How will this be affected by the sale to Resolution Life?

Closure of the sale will have no impact on the claims process. The same processes and procedures will apply, and you will continue to deal with the same AMP Life team.

How can I be sure that Resolution Life will continue to pay bonuses?

One of the things that attracted Resolution Life to AMP Life was AMP's expertise and track record in managing its investment portfolio. We can't predict how AMP Life's investments will perform over time, but we can assure you the portfolio will continue to be managed as it has been in the past.

What should I do if I want to switch life insurers?

We are committed to providing AMP Life policyholders with competitive premiums, great customer service and efficient claims management. That said, we appreciate change can be unsettling and we respect that you may wish to understand your options.

Speak to your financial advisor before making a decision about switching life insurance providers.

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OUR BUSINESS AND STRATEGY

Who is Resolution Life?

Resolution Life is a long-term global manager of in-force life insurance portfolios. Our strategy is to build a portfolio life insurance group by acquiring other life insurance companies, or closed books of business, and making them more successful.

Since 2003, various Resolution Life entities have acquired, reinsured, consolidated or managed 28 life insurance companies, serving the needs of over 10 million policyholders.

Headquartered in Bermuda, Resolution Life is a global business with operations in the UK, US and, following the AMP Life acquisition, Australia and New Zealand.

Who is Clive Cowdery?

Clive Cowdery is founder and Executive Chairman of Resolution Life Group, the parent company of Resolution Life.

Clive is a leading life insurance executive, entrepreneur, businessman and philanthropist.

Prior to establishing Resolution Life in 2003, Clive was Chairman and Chief Executive of GE Insurance Holdings, GE's primary insurance operations in Europe. Clive reported directly to Jack Welch who is widely regarded as one of the greatest CEOs in corporate history. At the time, GE Insurance Holdings had over US\$3 billion of premium income and operations in 12 countries.

Before joining GE in 1998, Clive co-founded J. Rothschild International / Scottish Amicable International, a cross-border insurance business based in Dublin.

Clive started his career in insurance advising clients as a broker.

Clive is Chairman and founder of the Resolution Foundation, a non-profit research organisation focused on the needs of low-income earners in industrialised countries.

Clive was knighted in the 2016 New Year Honours for services to children and social mobility. That's why in formal situations he's addressed as Sir Clive.

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Who owns Resolution Life?

Resolution Life currently has many investors – leading financial institutions, insurance companies, superannuation funds, sovereign wealth funds and family offices. These include cornerstone investors that have joined the Resolution Life Group board: JPMorgan Chase, KKR & Co Inc, Nippon Life Insurance Company, Temasek, The Universities Superannuation Scheme and a Middle Eastern sovereign wealth fund.

When the AMP Life sale closes, AMP will retain a shareholding in Resolution Life Australia, the Australian-based company entity that will become the owner of AMP Life.

Resolution Life recently announced it will buy the life insurance business from Voya in the US. Similarly, when the Voya sale closes, Voya Financial will retain a shareholding in Resolution Life.

Why do investors want to back Resolution Life?

Our investors are not chasing a quick financial windfall – they want to make a long-term investment in life insurance businesses that delivers consistent returns. Our business and approach will provide our investors with a life insurance business that delivers consistent returns over time.

Is Resolution Life connected to Talcott Resolution Life?

Resolution Life is in no way affiliated with Talcott Resolution Life.

Is Resolution Life financially strong?

Since September 2018, we have raised over US\$3 billion in capital. Our investors are leading financial institutions, insurance companies, pension plans, sovereign wealth funds and family offices.

How long has Resolution Life been in business?

Resolution was first established in 2003. Over the past 16 years, we have successfully built and operated three Resolution Life companies.

Our current — fourth and likely final — Resolution Life business was established in 2018 to pursue a global business.

Our expertise is in the long-term global management of legacy life insurance portfolios. Put simply, we raise capital from investors to acquire:

- entire life insurance companies, or
- portfolios of business from insurers that wish to sell off their life insurance business.