

APPENDIX 3
INSURANCE CHARGES REVISION FOR <UDR Plan>
Frequently Asked Questions (FAQs)

NO	QUESTIONS	ANSWERS		
1	Why are you revising my insurance charges?	<p>As you may be aware, medical and healthcare costs have been rising at a double digit rate¹ in recent years - mainly driven by medical inflation and higher frequency of people seeking medical treatments.</p> <p>At Zurich, we are committed to ensure that you are not only protected but have access to medical services and treatments when you need it. This is why we conduct reviews of our medical plans against healthcare costs on a regular basis. Revisions are necessary not only to keep up with the escalating healthcare costs and increasing claims of medical benefits, but more importantly, it helps to ensure that there is no interruption to your medical protection.</p> <p>¹ Source : Aon Hewitt 2019 Global Medical Trend Rates report</p>		
2	How do you determine the quantum for revision of my insurance charges?	<p>In determining the revision, we take various factors such as actual healthcare costs, current healthcare inflation as well as customer affordability into consideration. The percentage of increase in your insurance charges will vary depending on your age, gender and the plan you have selected.</p>		
3	Why is there a revision to my insurance charge when I have not made any claims?	<p>Medical insurance operates on a risk-sharing basis where insurance charges collected are used to pay the claims. As a result, all policies will be affected regardless of whether you have made any claim before.</p>		
4	When will my insurance charges be revised?	<p>The new insurance charges will take effect on your next policy anniversary date immediately on or after <repricing date>.</p>		
5	What is the difference between premiums and insurance charges?	<p><u>Premiums</u> Premiums are the amount that you pay to Zurich for your insurance coverage. For an investment-linked insurance policy, a part or all of the premiums paid is used to purchase units in the selected investment-linked fund(s) while the remaining amount is used to pay upfront charges for insurance expenses and direct distribution costs.</p> <p><u>Insurance charges</u> Insurance charges are deducted monthly from the fund value of your investment-linked policy to pay for your insurance coverage. Typically, insurance charges increase as you get older.</p>		
6	Do I need to pay a different premium amount after the revision?	<p>Your investment-linked policy's fund value is sufficient to pay for your insurance charges in the later years. Hence, we strongly encourage you to review your premium from time to time to ensure your policy is sustainable until maturity</p>		
7	What are the factors that may impact my fund value?	<p>The following factors may impact your fund value in the future, and may result in your fund being insufficient to sustain your policy until maturity:</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> <ul style="list-style-type: none"> ✓ Exercising premium pause (premium holidays) ✓ Revision of cost of insurance and/or other charges by the Company (as per policy's terms & conditions) without any increasing premiums ✓ Partial or early withdrawal </td> <td style="width: 50%; vertical-align: top;"> <ul style="list-style-type: none"> ✓ Unfavorable investment return experience ✓ Addition of unit deducting rider(s) without increasing premiums ✓ Increasing insurance coverage without increasing premiums </td> </tr> </table>	<ul style="list-style-type: none"> ✓ Exercising premium pause (premium holidays) ✓ Revision of cost of insurance and/or other charges by the Company (as per policy's terms & conditions) without any increasing premiums ✓ Partial or early withdrawal 	<ul style="list-style-type: none"> ✓ Unfavorable investment return experience ✓ Addition of unit deducting rider(s) without increasing premiums ✓ Increasing insurance coverage without increasing premiums
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8	If my policy is under waiver status (premium	<p>For policies which are on waiver status (premium payments waived), the insurance charges will increase during the policy anniversary, but the waiver amount will remain</p>		

	payments waived), do I need to pay the single premium top-up?	<p>the same. With the increased insurance charges, it is possible that the fund value in the policy may not be sufficient to pay for the insurance charges in later years.</p> <p>Therefore, we strongly encourage you to pay the suggested single premium top-up to cover the higher insurance charges.</p>
9	If there is a waiver of premium rider attached to the policy, will the waiver sum assured for this rider also increase?	<p>This depends on the current waiver rider that is attached to the investment-linked plan.</p> <ol style="list-style-type: none"> 1. If the current waiver rider only waives regular premium, and your increase in premium is performed via regular top-up (MSVR), the waiver rider's sum assured will not increase. 2. If the current waiver rider only waives regular premium, and your increase in premium is performed via Layer Premium, the waiver rider's sum assured will increase. 3. If the current waiver rider waives both regular premium + regular top-up (MSVR), the waiver rider's sum assured will increase accordingly with the increase in premium, via regular top-up (MSVR).
10	Will there be another revision in the future?	<p>We continue to review our medical plans against the healthcare cost on a regular basis and make every effort to actively manage healthcare costs together with our hospital partners. If there is a need for future revisions, we will notify you accordingly.</p>

Additional Support for COVID-19 Pandemic Affected Customers		
11	What are the available options I have if I have been affected by COVID-19 Pandemic?	<p>Following are the available options provided by Zurich Life Insurance Malaysia Berhad to you to go through this situation. You may contact your Wealth Planner or Zurich Call Centre for further information.</p> <ol style="list-style-type: none"> 1. <u>Policy Restructuring</u> <ol style="list-style-type: none"> a) Change Payment mode <ul style="list-style-type: none"> - Example: Switching from annual payment mode to half yearly, quarterly, or monthly mode b) Change of Basic Sum Assured or Riders' Benefits <ul style="list-style-type: none"> - Example: Change from higher Basic Sum Assured (RM100,000) to lower Basic Sum Assured (RM50,000) c) Downgrade your current medical rider plan <ul style="list-style-type: none"> - You can revert to your original plan within 12 months from date of downgrading without underwriting. - Submission to revert to original plan must be submitted 1 month prior to the end of the 12 months. 2. <u>3 Months Deferment Payment</u> <p>You may submit your application through the methods below with the supporting documents.</p> <ol style="list-style-type: none"> a) Online Submission through https://mya.zurich.com.my/EForm.aspx b) Email to us at callcenter@zurich.com.my with email subject: Payment Deferment Application: Policy Number <XXXXXXXXXX> c) Submit to the nearest branch with the supporting documents. <p><u>List of supporting documents:</u></p> <ol style="list-style-type: none"> 1. Letter for home quarantine from relevant authority; or 2. Doctor's Confirmation Letter on COVID-19 infection for infected policyholder ; or 3. Employer's Termination Letter / Salary Reduction Letter; or 4. Letter of Closure of Business, or 5. Other relevant proofs or documents (if any)

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FAQ for policy sustainable until contractual term @ maturity date

12	<p>Will my policy coverage sustain until the end of the contractual term post re-pricing?</p>	<p>Your policy is expected to sustain until the end of the contractual term based on our estimated projected value.</p> <p>Kindly note that the estimated projected value of your investment-linked policy is based on the information available as at <Extraction date> with the following assumptions:</p> <ul style="list-style-type: none"> ▪ You will continue to pay your current premiums by its due date; ▪ You will not make any partial / early withdrawals in the future; ▪ No changes have been made to your policy (e.g. addition or removal of rider(s) and/or changes to the sum insured); ▪ There are no changes to your fund selection. The allocation of premium in the calculations are based on existing fund selection; ▪ The best estimate fund rate based on fund selections are used. They also do not reflect potential volatility over the short-term resulting in potential sharp movements, up or down, of the underlying assets of the funds; ▪ The payment of premium is not a guarantee of sustainability as the value of the Unit Funds may fall below the amounts of premiums paid depending on the performance of the underlying assets; ▪ The projection is based on our estimates of future outcomes which may differ from year to year, depending on the actual experience and economic outlook. Actual experience may differ from our estimates (e.g. due to better or worse actual investment performance), and your fund value may deplete to zero earlier or later than our estimation.
13	<p>Do I have other options for maintaining my policy until the end of the contractual term?</p>	<p>Yes, you have the following options for maintaining your policy until the end of the contractual term:</p> <p>a) You can opt to downgrade to a medical plan with lower coverage, provided your medical plan is not the lowest plan level, by completing and submitting the 'Request for Change Form' to the nearest Zurich branch. However, you should assess if a lower medical plan is sufficient to cover your medical insurance needs by:</p> <ul style="list-style-type: none"> i. Contacting your Wealth Planner or ii. Contacting Zurich Call Center at 1-300-888-622 or email us at callcentre@zurich.com.my; or <p>b) You can switch to other medical riders offered by Zurich which provide similar or more comprehensive medical coverage. However, standard underwriting process and terms and conditions apply.</p> <p>The available medical riders currently are as follows:</p> <ol style="list-style-type: none"> 1) Zurich MaxMedic 2) Zurich ValueCare <p>c) To improve your policy's account value, you can opt to:</p> <ul style="list-style-type: none"> • Reduce your coverage (reduce sum assured and/or remove unit deducting rider(s)) <p>However, it is important that you understand the changes you wish to make to your insurance policy as your coverage amount may be affected.</p> <p>For more information on Zurich MaxMedic or Zurich ValueCare, please visit our website at www.zurich.com.my or contact your Wealth Planner for further details and assistance. Alternatively, you may contact Zurich Call Centre at 1-300-888-622 or email us at callcentre@zurich.com.my if you have any questions.</p>

FAQ for policy non-sustainable until contractual term @ maturity date

<p>14</p>	<p>Will my policy coverage sustain until the end of the contractual term post re-pricing if I opt to perform increase of Regular Top-Up & Single Premium Top-Up (if applicable) as per suggested?</p>	<p>Your policy is expected to sustain until the end of the contractual term based on our estimated projected value.</p> <p>Kindly note that the estimated projected value of your investment-linked policy is based on the information available as at <Extraction date> with the following assumptions:</p> <ul style="list-style-type: none"> ▪ You will continue to pay your current premiums by its due date; ▪ You will not make any partial / early withdrawals in the future; ▪ No changes have been made to your policy (e.g. addition or removal of rider(s) and/or changes to the sum insured); ▪ There are no changes to your fund selection. The allocation of premium in the calculations are based on existing fund selection; ▪ The best estimate fund rate based on fund selections are used. They also do not reflect potential volatility over the short-term resulting in potential sharp movements, up or down, of the underlying assets of the funds; ▪ The payment of premium is not a guarantee of sustainability as the value of the Unit Funds may fall below the amounts of premiums paid depending on the performance of the underlying assets; ▪ This sustainability test is conducted annually. The projection is based on our estimates of future outcomes which may differ from year to year, depending on the actual experience and economic outlook. Actual experience may differ from our estimates (e.g. due to better or worse actual investment performance), and your fund value may deplete to zero earlier or later than our estimation.
<p>15</p>	<p>What other options do I have other than paying the revised insurance charges?</p>	<p>You have the following options:</p> <p>a) You may choose to maintain your existing coverage while not increasing your current insurance premium. However, your policy's fund value may not be sufficient to cover the higher insurance charges in later years and this may cause your policy to be lapsed. Hence, we strongly encourage you to increase your current premium via the regular top-up (MSVR) and perform single premium top-up (if applicable) as suggested in our letter. With the suggested regular top-up (MSVR) and single premium top-up, it will help to cover the higher insurance charges; <i>or</i></p> <p>b) If affordability is a concern, you can opt to downgrade to a medical plan with lower coverage, provided your medical plan is not the lowest plan level, by completing and submitting the 'Request for Change Form' to the nearest Zurich branch. However, you should assess if a lower medical plan is sufficient to cover your medical insurance needs by:</p> <ul style="list-style-type: none"> iii. Contacting your Wealth Planner or iv. Contacting Zurich Call Center at 1-300-888-622 or email us at callcentre@zurich.com.my; or <p>c) You can switch to other medical riders offered by Zurich which provide similar or more comprehensive medical coverage. However, standard underwriting process and terms and conditions apply.</p> <p>The available medical riders currently are as follows:</p> <ul style="list-style-type: none"> 1) Zurich MaxMedic 2) Zurich ValueCare <p>d) To improve your policy's account value, you can opt to:</p> <ul style="list-style-type: none"> • Reduce your coverage (reduce sum assured and/or remove unit deducting rider(s)) <p>However, it is important that you understand the changes you wish to make to your insurance policy as your coverage amount may be affected.</p> <p>For more information on Zurich MaxMedic or Zurich ValueCare, please visit our website at www.zurich.com.my or contact your Wealth Planner for further details and</p>

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16	Can I opt to increase my premium to an amount other than the one suggested?	<p>Yes, you can increase your premium by any amount other than the suggested amount. However, we strongly encourage you to pay as per the suggested regular top-up (MSVR) and perform single premium top-up (if applicable) so that your policy will have enough fund value to cover the higher insurance charges.</p> <p>You may complete the 'Request for Change Form' (RCF) and</p> <ul style="list-style-type: none"> i) Submit to the nearest Zurich branch or ii) Contact your Wealth Planner or iii) Contact Zurich Call Centre at 1-300-888-622 or email us at CallCentre@zurich.com.my 										
17	<p>How can I top up my current premium via regular top-up and perform single top-up as suggested? What is the procedure to follow?</p> <p>You may increase your regular top-up (MSVR) and perform single top-up as suggested in the notification letter by completing the enclosed 'Reply Slip' with the payment and return it to us. Do take note the completed form must reach us latest by <Policy Ann. Date + 30 days> else, you may need to refer to your wealth planner and get a new suggested regular top-up and single premium (if applicable) to sustain your policy until contractual term.</p> <p>The suggested new total premium will take effect from your <u>policy's next premium due date</u>.</p> <p>Depending on your current premium payment method, you may need to make further arrangements with your bank for us to collect the new amount from you. Please see the table below for more details.</p> <table border="1" data-bbox="210 994 1465 1724"> <thead> <tr> <th>Current Payment Method</th> <th>What action should I take?</th> </tr> </thead> <tbody> <tr> <td>Cash/Cheque</td> <td> <p>There is no change to your current payment arrangement.</p> <p>For your added convenience, we invite you to switch to credit/debit card. Please download the Visa/MasterCard Auto Debit Form https://bit.ly/ZurichAutoDebit</p> <p>Please send the completed Visa/MasterCard Auto Debit Form to us.</p> </td> </tr> <tr> <td>Credit or Debit Card, Auto-Debit (With no transaction amount limit)</td> <td>There is no change to your current payment arrangement.</td> </tr> <tr> <td>Auto-Debit (With transaction amount limit)</td> <td> <p>You will need to complete the Direct Debit Authorization Form and return it to us. This will enable us to deduct the suggested new premium amount from your bank account. Please download the Direct Debit Authorization Form from https://bit.ly/ZurichDirectDebit</p> <p>If the maximum limit in your bank account auto debit form is less than the suggested new premium, you will need to submit a new form to the bank to change the maximum limit.</p> </td> </tr> <tr> <td>Standing Instructions with banks</td> <td>Please make arrangements to alter existing Standing Instruction(s) with your bank so that the suggested new premium amount can be remitted to us.</td> </tr> </tbody> </table>	Current Payment Method	What action should I take?	Cash/Cheque	<p>There is no change to your current payment arrangement.</p> <p>For your added convenience, we invite you to switch to credit/debit card. Please download the Visa/MasterCard Auto Debit Form https://bit.ly/ZurichAutoDebit</p> <p>Please send the completed Visa/MasterCard Auto Debit Form to us.</p>	Credit or Debit Card, Auto-Debit (With no transaction amount limit)	There is no change to your current payment arrangement.	Auto-Debit (With transaction amount limit)	<p>You will need to complete the Direct Debit Authorization Form and return it to us. This will enable us to deduct the suggested new premium amount from your bank account. Please download the Direct Debit Authorization Form from https://bit.ly/ZurichDirectDebit</p> <p>If the maximum limit in your bank account auto debit form is less than the suggested new premium, you will need to submit a new form to the bank to change the maximum limit.</p>	Standing Instructions with banks	Please make arrangements to alter existing Standing Instruction(s) with your bank so that the suggested new premium amount can be remitted to us.	
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