

APPENDIX 3

TABARRU' CHARGES REVISION FOR (UDR Plan)

Frequently Asked Questions (FAQs)

NO	QUESTIONS	ANSWERS									
1	Why are you revising my Tabarru' 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 Takaful, 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 Tabarru' charges?	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 Tabarru' charges will vary depending on your age, gender and the plan you participate in.									
3	Why is there a revision to my Tabarru' charge when I have not made any claims?	Medical takaful operates based on the concept of Ta'awun (helping each other) where Tabarru' collected are used to pay the claims that have been arising. As a result, all certificates will be affected regardless of whether you have made any claim before.									
4	Will there be any change of benefits after the repricing?	<p>Yes, we will enhance the following benefits as below. Other benefits remain unchanged.</p> <table border="1"> <thead> <tr> <th>Schedule of benefits</th> <th>Existing Benefits</th> <th>Enhanced Benefits</th> </tr> </thead> <tbody> <tr> <td>Post Hospitalisation Treatment</td> <td>As Charged. Within 31 days from discharge</td> <td>As Charged. Within 90 days from discharge</td> </tr> <tr> <td>Emergency Accidental Out-patient Treatment</td> <td>As Charged Within 24 hours and follow-up treatment to a max of 31 days.</td> <td>As Charged Within 72 hours and follow-up treatment to a max of 31 days.</td> </tr> </tbody> </table>	Schedule of benefits	Existing Benefits	Enhanced Benefits	Post Hospitalisation Treatment	As Charged. Within 31 days from discharge	As Charged. Within 90 days from discharge	Emergency Accidental Out-patient Treatment	As Charged Within 24 hours and follow-up treatment to a max of 31 days.	As Charged Within 72 hours and follow-up treatment to a max of 31 days.
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5	If I opt not to accept the new enhanced benefits offered by Zurich Takaful, can the revision in Tabarru' charges be reduced?	The new Tabarru' charges are based on actual claims experience and some level of medical inflation. The cost of the enhanced benefits is insignificant. Hence, there is no difference in Tabarru' charge with or without the enhanced benefits.									
6	When will my Tabarru' charges be revised?	The new Tabarru' charges will take effect on your next certificate anniversary date immediately on or after <repricing date> .									
7	What is the difference between contributions and Tabarru' charges?	<p><u>Contributions</u> Contributions are the amount that you made to Zurich Takaful for your takaful coverage. For an investment-linked takaful certificate, a part of the contribution made is used to purchase units in the selected investment-linked fund(s) after deducting the upfront charges for the expense of managing the takaful business and direct distribution costs.</p> <p><u>Tabarru' charges</u> Tabarru' charges are deducted monthly from the Participant's Investment Account of your investment-linked certificate to pay for your takaful coverage / claim. Typically, Tabarru' charges increase as you get older.</p>									
8	Do I need to make a different contribution amount after the revision?	Your investment-linked certificate's Participant's Investment Account (PIA) value may be insufficient to pay for your Tabarru' charges in the later years. Hence, we strongly encourage you to make at least the suggested regular top-up contribution so that your certificate will have enough PIA value to cover the higher Tabarru' charges.									

9	<p>Will my certificate coverage sustain until the end of the contractual term post re-pricing if I choose to make the suggested contribution increment?</p>	<p>The Suggested Regular Top-Up -Takaful Saver (MTSVR) contribution is only meant to fund the increase in Tabarru' charges arising from <u>this</u> re-pricing exercise. You should refer to the Investment-Linked (IL) Sustainability Statement that will be made available to you in February 2021 for details on the overall sustainability of your certificate and take the necessary action to ensure the sustainability of your certificate till contractual term / maturity date.</p> <p>You may ignore the Suggested Regular Top-Up (MTSVR) contribution in this letter if you have taken action to increase your regular contribution as recommended under Option 1 in your 2021 IL Sustainability Statement to sustain your certificate till contractual term / maturity date.</p>
10	<p>What other options do I have other than making the revised Tabarru' charges?</p>	<p>You have the following options:</p> <p>a) You may choose to maintain your existing coverage whilst not increasing your current takaful contribution. However, your certificate's Participant's Investment Account (PIA) value may not be sufficient to cover the higher Tabarru' charges in later years and this may cause your certificate to be terminated prematurely. Hence, we strongly encourage you to increase the regular top-up contribution to the amount suggested in our letter. With the regular top-up contribution, it will help the sustainability of the certificate; or</p> <p>b) If affordability is a concern, you can opt to change your current medical plan's benefits to a lower benefit plan provided your medical plan is not the lowest plan level. However, you should assess if a lower medical plan is sufficient to cover your medical takaful needs.</p> <p>c) Alternatively, you may consider other health riders such as hospital income offered by Zurich Takaful with different benefits from medical rider. The available hospital income riders currently are:</p> <ul style="list-style-type: none"> i) Hospital Benefit ii) Hospital & Surgical Benefit <p>Application for these hospital income riders is subject to standard underwriting process and terms and conditions apply. However, you should contact your Wealth Planner or Zurich Call Center to review the benefits offered under these riders and assess if the benefits are sufficient for your needs.</p> <p>For the above options, you may:</p> <ul style="list-style-type: none"> i) Complete and submit the 'Request for Change Form' to the nearest Zurich Takaful branch or ii) Contact your Wealth Planner or iii) Contact Zurich Call Center at 1-300-888-622 or email us at callcentre@zurich.com.my; or <p>d) To improve your certificate's Participant's Investment Account (PIA) value, you can opt to:</p> <ul style="list-style-type: none"> • Reduce your certificate term (if applicable) • Reduce your coverage (reduce sum covered and/or remove unit deducting rider(s)) <p>However, it is important that you understand the changes you wish to make to your certificate as your coverage amount may be affected.</p> <p>You may contact Zurich Call Center at 1-300-888-622 or email us at callcentre@zurich.com.my if you have any questions.</p>
11	<p>Can I opt to increase my contribution to an amount other than the one suggested?</p>	<p>Yes, you can increase your contribution by any amount other than the suggested amount. However, we strongly encourage you to make at least the suggested regular top-up contribution so that your certificate will have enough Participant's Investment Account (PIA) value to cover the higher takaful charges.</p> <p>You may complete the 'Request for Change Form' (RCF)</p> <ul style="list-style-type: none"> i) Submit to the nearest Zurich Takaful branch or ii) Contact your wealth planner or iii) Contact Zurich Call Center at 1-300-888-622 or email us at callcentre@zurich.com.my

12	If my certificate is under waiver status (Contribution made waived), do I need to make the increased contribution?	<p>For certificates which are on waiver status (Contribution made waived), the Tabarru' charges will increase during the certificate anniversary but the waiver amount will remain the same. With the increased Tabarru' charges, it is possible that the Participant's Investment Account value in the certificate may not be sufficient to pay for the Tabarru' charges in later years.</p> <p>Therefore, we strongly encourage you to make the suggested contribution top up so that it helps the sustainability of the certificate.</p>										
13	If there is a waiver of contribution rider attached to the certificate, will the waiver sum covered for this rider also increase?	<p>When you increase your contribution, we will adjust the sum covered of the rider to be equal to your total contribution including regular top-up contribution. This will result in higher Tabarru' charges as the rider's coverage amount has increased.</p>										
14	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>										
15	<p>How can I top up my current contribution via regular top-up as suggested? What is the procedure to follow?</p> <p>You may increase your regular top-up contribution as suggested in the notification letter by completing the enclosed regular top-up contribution 'Reply Slip' and return it to the nearest Zurich Takaful Malaysia Berhad branch. Do take note the completed form must reach us latest by <Certificate Ann. Date + 30 days>.</p> <p>The new contribution amount will take effect from your certificate's next contribution due date.</p> <p>Depending on your current contribution 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="204 965 1469 1697"> <thead> <tr> <th data-bbox="204 965 699 994">Current Payment Method</th> <th data-bbox="699 965 1469 994">What action should I take?</th> </tr> </thead> <tbody> <tr> <td data-bbox="204 994 699 1229">Cash/Cheque</td> <td data-bbox="699 994 1469 1229"> <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 data-bbox="204 1229 699 1312">Credit or Debit Card, Auto-Debit (With no transaction amount limit)</td> <td data-bbox="699 1229 1469 1312"> <p>There is no change to your current payment arrangement.</p> </td> </tr> <tr> <td data-bbox="204 1312 699 1592">Auto-Debit (With transaction amount limit)</td> <td data-bbox="699 1312 1469 1592"> <p>You will need to complete the Direct Debit Authorization Form and return it to us. This will enable us to deduct the new contribution 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 revised contribution/suggested regular top-up contribution, you will need to submit a new form to the bank to change the maximum limit.</p> </td> </tr> <tr> <td data-bbox="204 1592 699 1697">Standing Instructions with banks</td> <td data-bbox="699 1592 1469 1697"> <p>Please make arrangements to alter existing Standing Instruction(s) with your bank so that the correct contribution amount can be remitted to us.</p> </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)	<p>There is no change to your current payment arrangement.</p>	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 new contribution 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 revised contribution/suggested regular top-up contribution, you will need to submit a new form to the bank to change the maximum limit.</p>	Standing Instructions with banks	<p>Please make arrangements to alter existing Standing Instruction(s) with your bank so that the correct contribution amount can be remitted to us.</p>
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