



FAQ's ON QLM PORTFOLIO TRANSFER

1. What is QLM portfolio transfer?

According to the legal framework of Qatar, companies can register and operate either in the Qatar Financial Centre (“QFC”) or in the State of Qatar. Companies that operate in the QFC are governed exclusively by the laws, rules and regulations applicable to companies in the QFC whereas the companies that operate in the State of Qatar are governed exclusively by the laws, rules and regulations of the State of Qatar.

Q Life & Medical Insurance Company LLC (“QLM”) (Licence no. 141) is registered in the QFC and authorised and regulated by the QFC Regulatory Authority (“QFCRA”). For the reasons stated in point no. 4, it is proposed that the life and medical insurance business portfolio of QLM be transferred from the QFC to the State of Qatar (“Transfer”).

2. What is being transferred?

At present, QLM operates its life and medical insurance business from (i) the Head Office situated in the QFC and (ii) from its branch office situated in Labuan (Malaysia). As part of the Transfer, it is proposed that the entire business of QLM currently being effected from the Head Office in the QFC be transferred to the State of Qatar (“QLM Portfolio”). Labuan branch’s business is outside the purview of the Transfer.

3. How is the transfer being effected?

The transfer is being effected by incorporating a new company with the name “QLM Life & Medical Insurance W.L.L.” (“QLMLM”)* in the State of Qatar and thereafter transferring the QLM Portfolio to QLMLM. For this purpose, QLM has prepared a Scheme Report which is prepared by the Head of Group Actuarial of QIC Group who was approved for this purpose by the QFCRA. The Scheme Report is the main document delineating the terms and conditions of the Transfer and will be placed before the Qatar International Court of the QFC (“Court”) for its approval.

***Please note that QLMLM will operate in the State of Qatar with the same brand name “QLM”. The new entity is being referred to in these FAQs as QLMLM only to distinguish it from the existing QLM.**

4. What is the rationale of the Transfer?

QLM is a subsidiary of Qatar Insurance Company (“QIC”). QIC is an insurance company registered in the State of Qatar and authorised and regulated by the Qatar Central Bank



(“QCB”). The transfer of QLM Portfolio to the State of Qatar is being proposed for strategic and economic reasons. It is expected that the Transfer, once effected, would simplify QIC group’s legal structure, improve governance and deliver capital efficiencies. Following the Transfer, all QIC group insurance companies based in the State of Qatar would be regulated by a single insurance regulator, namely Qatar Central Bank, whereas at present, QIC is regulated by the QCB and QLM is regulated by the QFCRA.

5. When will the Transfer take place?

As mentioned above, the Transfer remains subject to approval of the Qatar International Court. Once the Transfer is approved by the Court, QLM will inform the Policyholders by way of e-mail notifications. Updates on the progress of the Transfer will also be available on this website.

6. Will QLMLM issue a new insurance policy after the Transfer has taken place?

No, QLLM will not issue any new insurance policy document after the Transfer has taken place. Once the Transfer is approved by the Court, the existing policy document issued by QLM will be deemed to be an insurance policy document issued by QLMLM. For details, please see question no. 8.

7. How do I register a claim after the Transfer?

As part of the Transfer, all the employees of QLM will be transferred to QLMLM. The policies will continue to be administered by the same employees of QLM albeit as employees of QLMLM. Hence, the policyholders may continue to use the same medical insurance cards and contact their usual points of contact in QLM. Further, QLMLM will continue to use the same systems and processes that are being currently used by QLM (website, apps, customer care centre etc.). Hence, a policyholder can continue to lodge a claim using the same mode that is being used to lodge a claim with QLM.

8. What is the effect of the Transfer on the existing policies and the rights of policyholders?

Please note as under;

- i. **No material effect on policy terms and conditions:** The Transfer will not have any material effect on the policy terms and conditions except as provided herein. In particular, it will not impact the amount of premium payable, duration of the policy or the claim which the policyholder have made or may make under the already issued policies. [Please read point no. 9].
- ii. **Effect of Transfer on policyholder’s rights:** The Transfer will not prejudice any rights of the policyholders. Once approved, the Transfer will automatically move all rights,



- benefits, obligations, liabilities and any pending or current claims and legal disputes under each insurance policy issued by QLM, to QLMLM. Following the Transfer, QLMLM will replace QLM as the insurer of the policies and the rights of policyholders and other interested parties against QLMLM will be equivalent to their existing rights against QLM.
- iii. **Policy administration:** As mentioned in point no. 6 above, the insurance business transferred to QLMLM will continue to be administered by the same employees using the same systems and procedures. Even the external service providers currently used by QLM will remain the same. The facts that QLM and QLMLM are part of the same QIC group of companies, all employees of QLM will be transferred to QLMLM and that systems, policies and procedures will remain unchanged will ensure that the claims continue to be administered in the same manner as before the Transfer.
 - iv. **Legal proceedings:** Legal proceedings or litigation (if any) which have been issued, served, commenced, pending by or against QLM as at the date of Transfer will be continued by or against QLMLM.
 - v. **Parent guarantee from QIC:** The obligations of QLMLM towards its policyholders will be backed by a parent guarantee. This will ensure that policyholders will benefit from the same level of security as was enjoyed by them as policyholders of QLM. Based on the said parent guarantee, QLMLM expects to obtain a credit rating (A/Stable) from Standard & Poor's which is equivalent to the current rating of QLM.

9. QLM was regulated by the QFCRA? Who will regulate QLMLM?

QLMLM is authorised and regulated by the QCB and is subject to the rules and regulations applicable to insurance entities operating in the State of Qatar. The change in the insurance regulator from the QFCRA to the QCB is not expected to have any adverse effect on the rights of the policyholders. The QCB has a customer dispute resolution mechanism similar to QFCRA's customer dispute resolution mechanism. QLM has obtained an independent legal opinion from a legal firm (Clyde & Co.) affirming that the proposed transfer will not have any material adverse effect on the protection accorded to the policyholders. In case, you would like to review a copy of the legal opinion, please get in touch with QLM at the address provided in point no. 11. QLM intends to issue policy endorsements to replace the QFCRA customer dispute resolution mechanism appearing in the policy documents with QCB's customer dispute resolution mechanism.

10. What actions are required to be taken by the policyholders?

Policyholders will have to make minor internal arrangements to ensure that all premium payments, claim notifications, requests for changes to the policy after the Transfer is approved are made to QLMLM. The policyholders will also have to make appropriate changes in their books of account to reflect that the insurer is shown as QLMLM instead



of QLM. Since the physical address and contact details of QLM and QLMLM remains the same, it will cause minimum inconvenience to the policyholders. QLM shall ensure that any claims notification and/or other policy related communication, if any, received by QLM from a policyholder after the transfer is given effect to is duly forwarded to QLMLM.

11. What other actions are being taken by QLM to inform the policyholders?

QLM will send a formal notification to all the policyholders and other interested parties informing them about the transfer. QLM will also publish an advertisement in newspapers in Qatar (in English and Arabic) giving brief details of the Transfer. The Scheme Report along with other documents pertaining to the Transfer are also available for viewing during normal working hours of QLM (i.e. Sunday to Thursday between 7.00 a.m. and 3.00 p.m.) at the following address;

Mr Alfred Chiwaka, SVP - Group Compliance
Q Life & Medical Insurance Company LLC
5th Floor, QIC Building, Al Tameen Street, West Bay Area, Doha, Qatar
Tel: +974 4496 2322; E-mail: Alfred.chiwaka@qicgroup.com.qa

12. What should a policyholder or other interested party do if he believes that he may be adversely affected by the Transfer?

In case, a policyholder or other interested party believes that the Transfer will adversely affect any of its rights under the policies issued by QLM or otherwise, such party is entitled to make a written representation to the Court at the following address within a period of thirty (30) days from the date of receipt of the formal notification referred to in question no. 11;

Qatar International Court Doha, Qatar
Tel: +974 4496 8220; E-mail: c.grout@qicdrc.com.qa

The Court shall not determine the application to approve the Transfer until after having considered any representation(s) made to it within the period of 30 days of the notification.

13. How do I find further information about the Transfer?

To get more information about the Transfer, you may write to the Head of Compliance whose contact details are provided in point no. 11.
