

GREAT EASTERN HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
Company Registration Number: 199903008M

AGREEMENT TO TRANSFER OF ELDERSHIELD POLICIES

Great Eastern Holdings Limited (“**GEH**”) refers to the attached press release issued by the Ministry of Health (“**MOH**”) today regarding the agreement with the ElderShield insurers for the Government to take over administration of the ElderShield scheme in 2021.

GEH wishes to inform that The Great Eastern Life Assurance Company Limited (“**GEL**”), a wholly-owned subsidiary of GEH, has entered into a binding agreement with MOH in respect of the transfer of the ElderShield 300 and/or ElderShield 400 basic policies currently managed by GEL under the existing ElderShield scheme, to MOH (the “**Transfer**”).

As at the date of this announcement, the Transfer is not expected to have any material effect on the net tangible assets or earnings per share of the GEH group for the financial year ended 31 December 2018 and the financial year ending 31 December 2019.

Issued by
GREAT EASTERN HOLDINGS LIMITED

7 January 2019



FOR IMMEDIATE RELEASE

GOVERNMENT TO ADMINISTER ELDERSHIELD FROM 2021

1. The Ministry of Health (MOH) has reached an agreement with the ElderShield insurers for the Government to take over the administration of the ElderShield scheme in 2021. This will allow ElderShield policyholders to upgrade to CareShield Life more smoothly, and benefit from improvements to the claims assessment process that will be implemented for CareShield Life.

Benefits to ElderShield Policyholders

2. There are currently 1.3 million ElderShield policyholders served by three private insurers¹. Government administration of the ElderShield scheme² will commence in 2021, together with the launch of CareShield Life for existing cohorts³.

3. With Government administration, ElderShield policyholders who choose to upgrade to CareShield Life for better coverage will benefit from a smoother upgrading process.

4. ElderShield policyholders not upgrading to CareShield Life will remain covered by their existing ElderShield policies. They will benefit from improvements to the claims assessment process that will be implemented for CareShield Life, such as an enhanced assessment framework that takes into account cognitive impairments.

5. The Government will administer the ElderShield scheme on a not-for-profit basis. In the event that the actual claims experience turns out better than expected, there will continue to be premium rebates for ElderShield policyholders.

6. Holders of ElderShield Supplements will not be affected. They will continue to be served by their existing ElderShield Supplement insurers.

Terms of Transfer

7. ElderShield insurers will transfer to the Government the liabilities and corresponding assets backing these liabilities for all policies under the ElderShield scheme. The valuation comes up to approximately \$2.9b. Actuarial consultants and audit and legal firms, appointed by the Government, have verified that the valuation and transfer terms are fair and in accordance to standard industry practice.

¹ The insurers are Aviva, Income, and Great Eastern Life Assurance.

² This refers to both ElderShield 300 and ElderShield 400.

³ This refers to those born in 1979 or earlier.

Transition Period

8. No action is required on the part of existing ElderShield policyholders at this point.

9. From now until the transfer is completed in 2021, existing ElderShield insurers will continue to issue new ElderShield policies and serve ElderShield policies. MOH will work with the insurers to ensure a smooth transition, and more information will be provided to each ElderShield policyholder closer to the date of transfer.

MINISTRY OF HEALTH
7 JANUARY 2019
