

Questions and answers on the current situation

Status 8 August 2024

1. General information: FWU AG's insolvency and FLL and FLA's business discontinuity

- FWU Life Lux (FLL) has discontinued new business as of 3 July 2024
- FWU AG filed for insolvency on 19 July 2024. The reason for the application is the over-indebtedness of FWU AG.
- On 23 July, FWU Life Austria (FLA) suspended new business for the time being until September.
- On 19 July 2024, FLL informed CAA that it no longer meets the minimum capital requirement ('MCR') and the solvency capital requirement ('SCR'). On 23 July 2024, the CAA's Executive Board decided to prohibit payments to customers in order to protect FLL's solvency.
- FLL petitioned the Luxembourg courts for the application of the suspension of payments scheme. This application was accepted on 2 August for a duration of 6 months.

2. Why have FLL and FLA discontinued new business?

- a. FWU Life Lux discontinued new business on 3 July as the auditor had not completed the audit of the annual financial statements for 2023 by 30 June.
- b. The new business of FWU Life Austria was provisionally discontinued as of 23 July 2024 in order to await the effects of the insolvency of FWU AG on the business operations of FLA.

3. How long will the new business interruption last?

FLL is in permanent run-off.
New FLA business is suspended until 30 September 2024.

4. Are customers affected by the insolvency of FWU AG?

The customers (policyholders) are customers of the subsidiaries FLA and FLL and not of FWU AG. This means that the provisional insolvency proceedings of FWU AG have no direct impact on existing customers.

5. Are my investments protected?

FLL: Yes, customers' assets are safe due to regulatory requirements and are deposited with a third-party bank, Caceis Investor Services, one of the largest custodian banks in the world. In Luxembourg, there is a special system, the so-called 'triangle of security', which is designed to protect customers' rights if an insurance company gets into financial difficulties.

Here's how it works:



- Tied assets: These are the assets (customer investments) that back the policy value of the insurance policies.
- Special protection: Special rules apply to these assets to ensure that they are safely deposited and prioritised in the event of insurance claims.
- Three-way participation: The insurance company, its authorised custodian bank and the CAA (the Luxembourg insurance supervisory authority) work together to protect these assets.

This system ensures that your claims are prioritised and protected.

FLA: Yes, in order to guarantee the fulfilment of policyholder claims, FWU Life AT as an insurance company is obliged to form a 'cover pool'. The cover pool is a special fund of an insurance company that must be managed separately from the company's assets.

6. What happens if the FLL loses its licence?

If FLL loses its licence, a liquidator will be appointed and will manage the insurance company. In the best interests of the customers, CAA and the liquidator could decide to continue the insurance contracts as usual and to examine on a case-by-case basis whether the policies should be liquidated.

7. Will the customer portal still be available for customers?

Yes, the FLL will continue to keep the customer portal accessible and maintain it.

8. What impact do all these events have on current contracts?

FLA: No effects

FLL: payouts are suspended for a 6 months period

The protective measures taken to ensure equal treatment of policyholders and beneficiaries temporarily do not allow FWU Life Insurance Lux SA to pay out a contractual benefit. The suspension of payments has been ordered for a duration of 6 months.

a. Can I waive or cancel my contract?

It is possible at any time to waive or cancel your contracts. However, payment of contracts is not possible for the time being. FLL is actively working with CAA to resolve this situation.

b. What kind of changes can I make to my contract?

All customers have all rights in accordance with the GTC of their respective product. However, the payout of customer funds is suspended in accordance with the explanations above.

c. What happens if I stop my premium payments now?

If you stop paying your premiums, the consequences depend on the specific terms of your contract. You can find detailed information in your contract documents or contact us directly.