



Securities Act (ACE Insurance Limited) Exemption Notice 2010

Pursuant to the Securities Act 1978, the Securities Commission gives the following notice (to which is appended a statement of reasons of the Securities Commission).

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Notice

- 1 Title**
This notice is the Securities Act (ACE Insurance Limited) Exemption Notice 2010.
- 2 Commencement**
This notice comes into force on the day after the date of its notification in the *Gazette*.
- 3 Expiry**
This notice expires on the close of 31 March 2011.
- 4 Interpretation**
(1) In this notice, unless the context otherwise requires,—

ACE means ACE Insurance Limited

Act means the Securities Act 1978

arrangement means a Court-approved arrangement under Part 15 of the Companies Act 1993 under which the specified securities are transferred from Combined to ACE

arrangement information means the bundle of documents sent to the policyholders in relation to the arrangement, and includes—

- (a) a covering letter from Combined; and
- (b) an explanatory statement that explains the arrangement; and
- (c) a summary of reports by actuaries engaged by Combined and ACE for the purposes of the arrangement

Combined means Combined Insurance Company of America, a company incorporated in the United States of America

policyholder means a holder of specified securities

Regulations means the Securities Regulations 2009

specified securities means the life insurance policies issued or entered into by the New Zealand branch of Combined that are transferred from Combined to ACE under the arrangement.

- (2) Any term or expression that is defined in the Act or the Regulations and used, but not defined, in this notice has the same meaning as in the Act or the Regulations.

5 Exemption from sections 37, 37A, and 38A of Act and Regulations (except regulation 23)

ACE and every person acting on its behalf are exempted from sections 37, 37A, and 38A of the Act and the Regulations (except regulation 23) in respect of the specified securities.

6 Conditions of exemptions in clause 5

The exemptions in clause 5 are subject to the conditions that—

- (a) the allotment of the specified securities occurs as a result of those securities being transferred under the arrangement; and
- (b) Combined complies with all terms and conditions the Court may make when it approves the arrangement; and

- (c) the arrangement information includes statements to the following effect:
 - (i) the terms and conditions of the specified securities remain the same except that when the arrangement is approved by the Court, the issuer of the specified securities will change to ACE; and
 - (ii) a copy of ACE's most recent financial statements are registered with the Companies Office and are available on request; and
- (d) the arrangement information includes a summary by an independent qualified actuary of his or her report and opinion on whether the rights and interests of policyholders will be adversely affected in any material manner as a result of the arrangement.

Dated at Wellington this 27th day of July 2010.

The Common Seal of the Securities Commission was affixed in the presence of:

[Seal]

David Mayhew,
Member.

Statement of reasons

This notice, which comes into force on the day after the date of its notification in the *Gazette* and expires on 31 March 2011, applies to life insurance policies (the **securities**) issued or entered into by the New Zealand branch of Combined Insurance Company of America (**Combined**) that are to be transferred to ACE Insurance Limited (**ACE**)

under a Court-approved arrangement under Part 15 of the Companies Act 1993.

ACE is exempted, subject to conditions, from sections 37, 37A, and 38A of the Securities Act 1978 and the Securities Regulations 2009 (except regulation 23) in respect of the securities.

The Securities Commission considers that it is appropriate to grant the exemption because—

- the transaction is being effected under Part 15 of the Companies Act 1993, which requires the prior approval of the High Court. The transaction will not affect the terms and conditions of the securities other than to replace Combined, as issuer, with ACE:
- the securities consist of historic policies issued that are no longer on offer and in respect of which policyholders would already hold information regarding the terms and conditions of the securities. The conditions require that policyholders are informed that the terms and conditions of the securities remain unchanged except in relation to the issuer:
- the conditions ensure that policyholders have access to a copy of ACE's latest financial statements. The conditions also ensure that policyholders are provided with a summary by an independent actuary of his or her report and opinion on whether the rights and interests of policyholders will be adversely affected in any material manner as a result of the transaction:
- identifying and redisclosing terms of the securities in the form of a current prospectus and investment statement is unlikely to be cost effective in the circumstances of this transaction.

Issued under the authority of the Acts and Regulations Publication Act 1989.

Date of notification in *Gazette*: 29 July 2010.

This notice is administered by the Securities Commission.
