



Abbey Life



PHOENIX LIFE

YOUR QUESTIONS ANSWERED

PLEASE READ THIS DOCUMENT ALONGSIDE THE ENCLOSED SCHEME GUIDE

1. What are the proposals?

The Phoenix Group is proposing to transfer all Abbey Life Assurance Company Limited (Abbey Life) policies to Phoenix Life Limited (Phoenix). Abbey Life and Phoenix are both part of the Phoenix Group. We refer to these proposals as 'the Scheme'. If the High Court approves the Scheme, policies will transfer on the 'transfer date', which we expect to be 31 December 2018.

2. Why are you doing this?

The Scheme will simplify our business and enable us to make more efficient use of our resources.

3. Will unit-linked policies be invested in the same way?

Yes. If your policy invests in unit-linked funds, the transfer will not change the number of units allocated to your policy or the value of those units. The unit-linked funds will invest in the same assets, have the same charges and will be priced on the same basis immediately after the transfer as before the transfer.

4. Will my terms and conditions change?

There will be no change to the terms and conditions of your policy unless you have a with-profits policy. Details of changes to with-profits policies are set out in the leaflet 'With-profits changes explained'.

The Scheme will allow Phoenix to make certain changes to the unit-linked funds if they are considered fair to policyholders. These changes are designed to reflect good market practice and are consistent with the approach Abbey Life would expect to take in its current management of its unit-linked funds. Importantly, the Scheme will not override existing policy terms and conditions, so these actions will not be permitted if they are contrary to policy terms and conditions. We have explained this in section 4 'Summary of the terms of the Scheme' in the Scheme guide.

5. What about the direct debit contributions I make or the payments I receive?

If you pay contributions, you will continue to make the same payments in the same way. Direct debit payments will automatically become payable to Phoenix from January 2019 and the name 'Phoenix Life' will appear on your bank statements. If you receive regular payments, these will continue to be paid by Phoenix in the same way as they are paid by Abbey Life.

6. What other changes will I see?

There will be no change to the way we service your policy. You will be able to contact the customer service team in the same way as you do now. However, you may see some small changes.

- The Phoenix Life logo and name will start to appear on any letters or documents we send you.
- Information that is available on the www.abbeylife.co.uk website will instead be available on www.phoenixlife.co.uk.
- If you make payments by cheque, you will need to make them payable to 'Phoenix Life Limited' (although cheques made payable to Abbey Life Assurance Company Limited will be accepted for a period of time).
- The name appearing on your bank statement will change as described in question 5 'What about the direct debit contributions I make or the payments I receive?'.

7. Will Phoenix ensure that my policy remains secure?

Yes. Security for your policy will be maintained by Phoenix. Like Abbey Life, Phoenix is regulated by the Prudential Regulation Authority (PRA). The PRA's rules require authorised firms to hold a minimum level of capital to provide security for policies. In addition, Phoenix holds capital above the level required by regulation to provide security for policies in extreme financial circumstances.

8. Will the Scheme affect my personal tax situation?

The Scheme will not affect the UK tax status of policies. If you are resident for tax purposes in an overseas territory, you may wish to take advice to confirm that your tax position is not affected.

9. How will my interests as a policyholder be protected?

The proposed transfer can only take place with the approval of the High Court, who must be satisfied that the Scheme meets all the necessary legal requirements and that it treats policyholders appropriately. In reaching its conclusion, the High Court will take into account any objections made by policyholders. We explain the court process in section 1 of the Scheme guide.

An Independent Expert has been appointed to prepare a report on the Scheme for the High Court. The Independent Expert has considered how the interests of policyholders might be affected and has concluded that the Scheme will not have a material adverse effect on the security of benefits or the future benefit expectations of Abbey Life policyholders. Section 5 of the Scheme guide has a summary of the Independent Expert's report.

We are also working closely with our regulators to make sure that they do not have any objections to the Scheme.

10. Why wasn't I consulted or allowed to vote?

You are being consulted and this pack and the information available on our website, which provide full details of our proposals, are part of the consultation phase. Under the legal process that we are following, policyholders do not get to vote on the transfer. However, you do have the right to raise any concerns or objections to the Scheme, and the High Court will consider them. Section 3 of the Scheme guide explains how to do this.

11. Can I opt out of the transfer?

The legal process we are following does not allow individual policyholders to be given the option to opt out. However, the process is designed to ensure that any changes we are proposing are not unfair in terms of either the security of your policy benefits or the value of the benefits you expect to receive in the future.

12. Will policyholders pay for the Scheme?

No. The Scheme will be paid for by the Shareholder Fund of Phoenix with no cost to any of our policyholders.

13. Who are Phoenix and the Phoenix Group?

Phoenix is a long established UK company. Phoenix and Abbey Life are both part of The Phoenix Group which is the largest manager of closed insurance funds in the UK, with approximately six million policyholders and £74 billion of Group assets as at 15 March 2018.

14. What do I need to do now?

Please carefully read the letter, the Scheme guide and the other enclosed documents which were sent to you. Please make sure that anyone who may have an interest in your policy (for example a beneficiary, trustee in bankruptcy, executor, personal representative or assignee) is aware of the Scheme.

If you are a Trustee of a group scheme, please tell members about the Scheme and how they can find further information. If you need support for this, please call our helpline.

15. How can I find out more?

The Scheme guide describes the proposed changes and includes a summary of the Independent Expert's report.

You can find the Independent Expert's full report and other documents relating to the Scheme at www.abbeylife.co.uk/FM18. If you would like paper copies of these documents or have any questions, please call our dedicated helpline **0800 046 2009**.

The helpline is open from 9am to 5pm, Monday to Friday (except if a Bank Holiday in England), until the day before the High Court hearing. Calls from the UK are free but may be charged from the Channel Islands. If you are calling from overseas, please call +44 (0)1202 076 190. There may be a charge when dialling from overseas. Please note that we may monitor or record calls.

You may also write to us at the address given in the Scheme guide, or use our website enquiry form.

If you would like this information in large print, braille or audio please call us on 0800 046 2009.

Abbey Life Assurance Company Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

Abbey Life is registered in England No. 710383

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