






Your Questions Answered

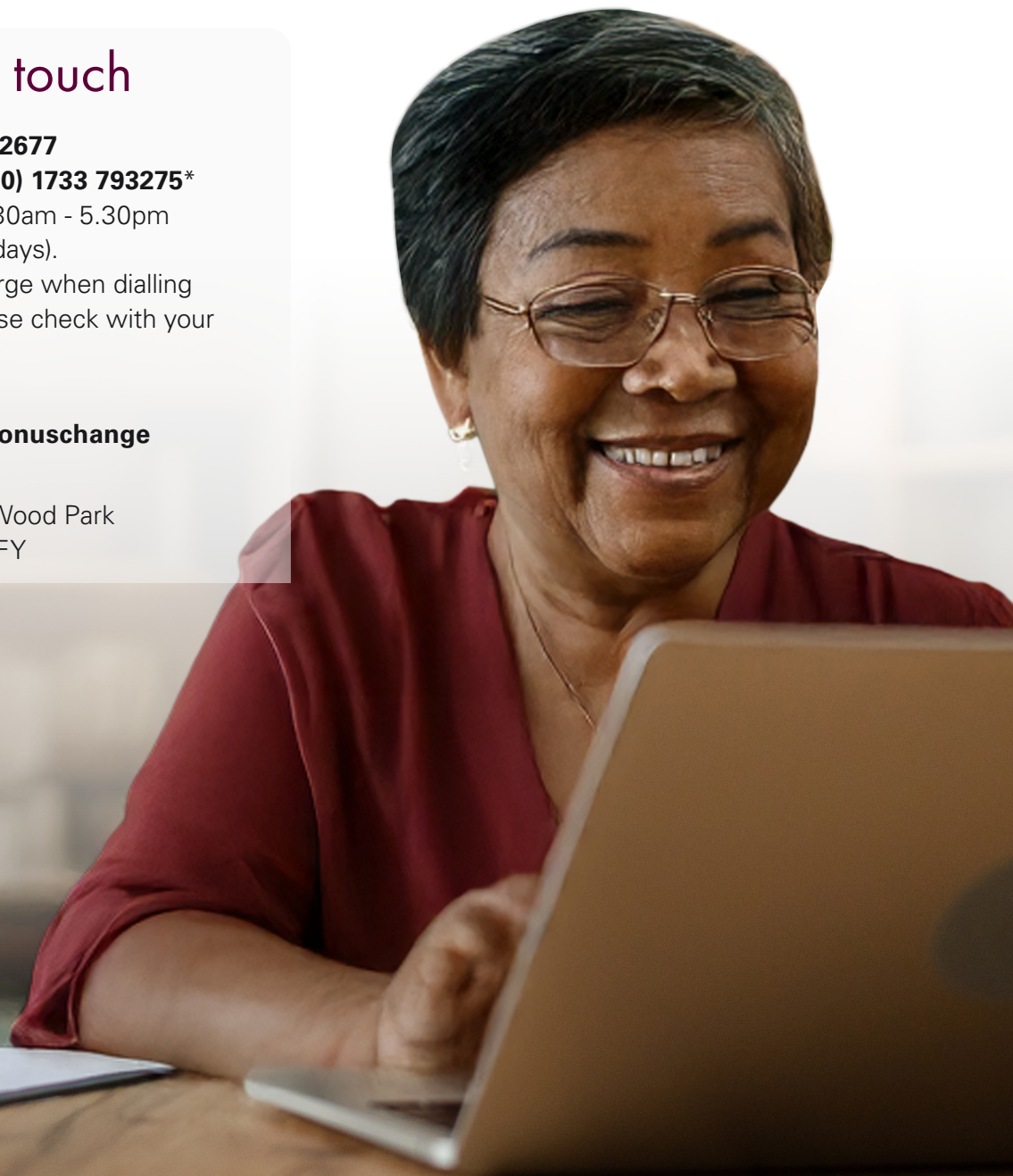
Introduction

The Britannic Industrial Branch Fund is due to close on 1 October 2026. This booklet includes answers to key questions you may have and explains what the fund closure means for you and your policy.

If after reading this you have any questions or would like more information, please get in touch.

How to get in touch

-  Call us on: **0330 678 2677**
From overseas: **+44 (0) 1733 793275***
Monday to Friday, 8.30am - 5.30pm
(apart from bank holidays).
*There may be a charge when dialling
from overseas, please check with your
phone provider.
-  Contact us online at:
phoenixlife.co.uk/bonuschange
-  Write to us at:
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1. What is happening?

The Britannic Industrial Branch Fund is closing. Your with-profits policy will move to the Phoenix Life Non-Profit Fund and will become a non-profit policy.

Your benefits are safe and secure and will be paid out as usual when it's time to make a claim.

Your policy will continue to provide the same level of life cover and guaranteed benefits as it does today.

We'll continue to pay annual and final bonuses, but these will be fixed and guaranteed. So, you'll continue to see your policy value grow each year.

2. Why is the Britannic Industrial Branch Fund closing?

The number of policies in the fund has reduced over time, making it harder to manage the fund effectively and fairly. The Phoenix Life Board decided that closing the fund now is in the best interests of remaining customers. Moving your policy to the Non-Profit Fund means we can guarantee your future bonuses, and make sure our customers are treated fairly.

3. When will the fund close?

We expect the fund to close on 1 October 2026.

4. Will my policy end when the fund closes?

No, your policy will not end. It will become non-profit and will move to the Non-Profit Fund. Your policy will continue to provide the same level of life cover and guaranteed benefits as it does today.

5. Will I need to pay premiums when the fund closes?

No, you'll no longer need to pay premiums once the fund has closed.

6. Will my benefits reduce if I stop paying premiums?

No, there will be no change to your policy value, your level of cover or to your guaranteed benefits when you stop paying premiums. It simply means you won't have to make any more payments.

7. Why will my premiums stop?

When the fund closes, we'll know exactly how much money is left to share between the remaining customers.

Your current guaranteed benefits will continue, and we'll also guarantee a fair level of future annual bonuses and a final bonus payable on death. This means your policy will keep growing like it does now.

We can provide these guarantees without needing any extra payments from you, so your premiums will stop when the fund closes.

8. Do I need to cancel my standing order?

Yes, you'll need to contact your bank to cancel your standing order to stop paying your premiums. You don't need to cancel this just yet as you'll still pay premiums until the end of September. Please tell your bank to cancel your standing order before your October payment is due. Your final premium for September should be paid as normal.

Some banks need at least 2 or 3 working days to process cancellations. So please leave enough time to make sure your bank can stop your payments in time.

If your standing order isn't stopped in time and you pay additional premiums, don't worry. We'll refund any over payments you make.

We'll write to you again in August with a reminder to cancel your standing order before your September payment is due.

9. I stopped paying premiums – will my future bonuses be impacted?

There are a couple of reasons why you may no longer be paying premiums:

- You chose to stop paying premiums early; or
- You have paid all the premiums due on your policy, and your premium payments have naturally ended.

If you chose to stop paying premiums early:

We understand it's not always easy to keep up with your premium payments and you may choose to stop paying.

If you stop paying your premiums for too long, you'll reach a point where they can't be restarted. When this happens, your policy becomes **'paid up'**. This can't be reversed. When you reach this point we'll write to tell you, so you'll know when your policy is made paid up.

- **Your bonuses stop if your policy becomes paid up.** So, if your policy becomes paid up before the fund closes you won't receive any future, guaranteed bonuses.
- **If your policy has not been made paid up when the fund closes, your future bonuses won't be impacted.** You'll continue to receive bonuses, which will be fixed and guaranteed, even if you haven't paid premiums for a while. We'll simply take the amount of outstanding premiums that are owed from the final amount that's paid out when a claim is made.

If you're worried your policy may be made paid up soon, or you're concerned about your future bonuses, please get in touch. We can talk you through your options, including how to repay any missed premiums. If you'd prefer not to repay them, we'll explain what this would mean for your policy.

You have paid all the premiums due on your policy:

At some point, when you've paid all the premiums required for your policy, your payments will naturally come to an end.

When this happens, your policy will continue and there will be no change to your policy value, your level of cover or to your guaranteed benefits. We'll continue to pay annual and final bonuses, which will be fixed and guaranteed after the fund closes.

10. Will my policy benefits change?

No. There will be no change to your guaranteed policy benefits because of the fund closure or the change to your premiums.

The guaranteed benefits your whole of life policy currently provides will continue. Your sum assured and the annual bonuses already added to your policy will not change. Your policy will still pay out on the death of the life assured. The guaranteed minimum payment, which you'll see in your annual statement, will not reduce.

11. What will happen to my bonuses?

You'll continue to receive annual bonuses and a final bonus when a claim is made. After the fund closes, the way we work out your bonuses will change. Your bonuses will no longer be linked to the performance of the Britannic Industrial Branch Fund. Instead, future bonuses will be fixed and guaranteed.

12. When will you know what my future bonuses will be?

We can't confirm what your future bonuses will be just yet. We'll be able to work this out after the fund closes. We'll write to you again to confirm your future guaranteed bonuses after the fund has closed. You'll hear from us early next year, around January 2027.

13. Will my policy value continue to grow each year?

Yes, each year your policy value will grow when an annual bonus is added. Your future annual bonuses will be set at a fixed rate of your policy value. This means that as your policy value grows, the amount of your future guaranteed annual bonus will also increase each year.

14. What's the difference between a With-Profit and a Non-Profit Fund?

If your policy invests in a With-Profits Fund, it shares in the profits of that fund. You receive bonuses (annual and final) that can change over time, depending on how the fund performs.

A Non-Profit Fund, on the other hand, doesn't share profits. Instead, we'll pay fixed, guaranteed bonuses, giving you certainty about how your policy will grow.

15. Why will I receive bonuses when my policy becomes non-profit?

Although non-profit policies don't normally receive bonuses, we want to keep things as consistent as possible for you. So, we'll continue to pay both annual and final bonuses. The way we work out your bonuses will change though. Your future bonuses will be fixed and guaranteed.

16. Will the way you manage my policy change after the fund closes?

Your policy is currently managed in line with the Principles and Practices of Financial Management (PPFM). This is a technical document which describes how we manage with-profits funds. After this fund closes the PPFM will no longer apply. This is because your benefits will be fixed, and no further decisions will be needed to determine future bonuses. However, your policy will continue to be managed in line with your policy terms, and other rules and regulations which protect customers and ensure you're treated fairly.

We can reassure you that your benefits are safe and secure and will be paid out as usual when it's time to make a claim.

17. Have you already made changes to the way the fund is managed?

Yes. To get ready for the fund closing we've reduced the level of investment risk in the fund. This means the fund assets are now invested mainly in cash and fixed interest investments, which are lower risk.

We've updated the PPFM to reflect this more cautious approach as we move toward closing the fund. As part of this, we've also clarified some of the wording about the Buffer Reserve, which is a pot of money we set aside to help protect customer benefits.

Here's a summary of the changes we've made.

Company history and group structure:

- Updated to explain the planned closure of the buffer reserve and what will happen to the assets afterwards (section 3.5.1).

Basic fund concepts:

- Amended to emphasise that the buffer reserve supports with-profits funds (section 5.2.1).

Investment strategy:

- Updated to reflect that assets are being de-risked and have been moved to cash to protect customer benefits as the fund approaches closure (various sections in 10.9).

These changes have not impacted your guaranteed policy benefits. Your policy will continue to provide the same level of life cover and guaranteed benefits as it does today. We'll continue to pay annual and final bonuses, which will be fixed and guaranteed once the fund is closed.

18. Who should I contact if I have a question about my policy?

The way you get in touch won't change. You'll continue to speak to the same team and use the same contact details as you do now. You'll find our contact details on the last letter or annual statement we sent to you.

19. How are you protecting my interests?

Protecting our customers' interests is at the heart of everything we do, especially when it comes to decisions that affect your policy.

After careful consideration, the Phoenix Life board decided that closing the Britannic Industrial Branch Fund now is in the best interests of the customers who remain in the fund. After your policy has moved to the Non-Profit Fund, we can guarantee your future bonuses and make sure all our customers are treated fairly.

We've taken several steps to make sure our plans have been carefully reviewed and are fair to customers.

- Our plans to close the Britannic Industrial Branch Fund have been through the scrutiny and oversight provided by the With-Profits Committee (WPC). The WPC provides independent input to make sure the interests of with-profits policyholders are protected. Its role is to review key matters and provide advice to help ensure the Board's decisions are well-informed and fair to all with-profits customers.
- The decision has been made with advice from the With-Profits Actuary, who has said that in her opinion, the proposals to convert the with-profits policies to non-profit is fair to customers, is not expected to result in foreseeable harm, and is expected to result in better customer outcomes than alternative options.
- Our plans to close the fund have been reviewed by Rebecca MacDonald who is an Independent Actuary. She has been appointed to assess the terms of our proposals and give her impartial view on the impact to customers when their policies become non-profit. She has said that she considers the terms on which the Britannic Industrial Branch Fund will be closed and the method for calculating guaranteed future bonuses to be fair to the affected policyholders.
- We also shared the plans with our regulators, the Financial Conduct Authority and the Prudential Regulation Authority.

20. Will the tax status of my policy change?

No, converting your policy to a non-profit policy will not affect its UK tax status or the way it is treated for UK tax purposes. Your current tax arrangements will continue as they are.

21. What if I want to cash in my policy?

We hope that providing fixed and guaranteed bonuses after the fund has closed will provide you with certainty over what will happen to your policy in the future.

If you're thinking about cashing in your policy, we want to make sure you know how much you will be paid. We guarantee that the amount you'll get after the fund closes will be the same as if you cashed in right before it closes. This guarantee will stay in place for 6 months after the fund closes.

This gives you time to review your options without pressure. Please carefully consider if you need the cover your policy provides, and the amount of bonus we guarantee to pay after the fund closes, before you decide whether you'd like to cash in your policy.

Please remember: Replacing your cover may be difficult or expensive as you get older, especially if your health has changed.

22. Who is paying for this?

The costs and expenses of closing the fund will be met by the Phoenix Shareholders' Fund. No costs will be passed on to customers.

23. Do I need to do anything?

When the fund closes you'll no longer need to pay premiums. It's important that you cancel your standing order before your October payment is due.

We recommend allowing at least 2 or 3 working days for your bank to process the cancellation so your payments can be stopped in time.

Please make sure your final September premium is paid as normal.

24. Where can I get financial advice?

We aren't able to give you financial advice. If you'd like advice, please speak to your financial adviser. If you don't have one, you can find one at **unbiased.co.uk**.

25. Where can I find out more?

You can find information about the fund closure on our website at **phoenixlife.co.uk/bonuschange**.

● How to get in touch



You can call us on: **0330 678 2677**

From overseas: **+44 (0) 1733 793275***

Monday to Friday, 8.30am - 5.30pm (apart from bank holidays).

*There may be a charge when dialling from overseas, please check with your phone provider.



You can fill in our online form at: **phoenixlife.co.uk/bonuschange**



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