

**IN THE ROYAL COURT OF THE ISLAND OF JERSEY  
SAMEDI DIVISION**

**IN THE MATTER OF  
NATIONAL PROVIDENT LIFE LIMITED**

**and**

**IN THE MATTER OF  
PHOENIX LIFE ASSURANCE LIMITED**

**AND IN THE MATTER OF AN APPLICATION PURSUANT TO ARTICLE 27 OF AND  
SCHEDULE 2 TO THE INSURANCE BUSINESS (JERSEY) LAW 1996**

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**LONG TERM INSURANCE BUSINESS  
TRANSFER SCHEME**

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## PART A - DEFINITIONS AND INTERPRETATION

### 1. DEFINITIONS AND INTERPRETATION

1.1 In this Jersey Scheme, unless the subject or context requires otherwise, words and expressions defined in the UK Scheme herein shall have the same meaning given to them in the UK Scheme and expressions used in the Jersey Scheme which have meanings under the Insurance Business Law shall bear those meanings, in addition, the following words and expressions shall have the meanings set out below:

**"Excluded Jersey Policies"** means:

- (a) Jersey Policies under which any liability remains unsatisfied or outstanding at the Jersey Transfer Date and which are not capable of being transferred pursuant to this Jersey Scheme by reason of them transferring under the UK Scheme or the Guernsey Scheme at the Transfer Date (excluding any Jersey Policies which are capable of being, and are, transferred to PLAL under the UK Scheme on the Transfer Date or the Guernsey Scheme on the Guernsey Transfer Date); and
- (b) and any further Policy issued by NPLL pursuant to the exercise of any right or option under an Excluded Jersey Policy;

**"Insurance Business Law"** means the Insurance Business (Jersey) Law 1996;

**"Jersey Scheme"** means this scheme made pursuant to Article 27 of and Schedule 2 to the Insurance Business Law in its original form or with or subject to any modification, addition or condition which may be approved or imposed;

**"Jersey Effective Date"** means [00:01 GMT on 1 January 2015], except where it relates to the transfer of (i) any asset falling within paragraph (b) of the definition of Transferred Jersey Assets or (ii) any liability falling within paragraph (b) of the definition of Transferred Jersey Liabilities, in which case the Jersey Effective Date shall be the date on which that Transferred Jersey Asset or Transferred Jersey Liability came into the ownership of, or became attributable to, NPLL;

**"Jersey Order"** means an order made by the Royal Court pursuant to Schedule 2 to the Insurance Business Law and/or Article 27 of the Insurance Business Law sanctioning this Jersey Scheme and any order (including any subsequent order) in relation to this Jersey Scheme made by the Royal Court pursuant to the Insurance Business Law;

**"Jersey Transfer Date"** means the time and date this Jersey Scheme becomes operative;

**"Jersey Long-Term Insurance Business"** means the business of effecting or carrying out long-term insurance contracts as principal, in or from within Jersey, falling within the classes of insurance business set out in Part 1 of Schedule 1 to the Insurance Business Law;

**"NPLL"** means National Provident Life Limited, a company incorporated in England and Wales with registered number 3641947;

**"PLAL"** means Phoenix Life Assurance Limited, a company incorporated in England and Wales with registered number 1419, which was formerly known as Pearl Assurance Limited;

**"Regulator"** means the Jersey Financial Services Commission (and any successor to such authority);

**"Residual Jersey Assets"** means:

- (a) any property of NPLL attributable to the Transferred Jersey Business (including any right, benefit or power of NPLL under any Transferred Jersey Policy) in respect of which the Royal Court has declined to order the transfer to PLAL pursuant to Article 27 of and Schedule 2 to the Insurance Business Law at the Jersey Transfer Date;
- (b) any other property of NPLL attributable to the Transferred Jersey Business (including any right or benefit under a Transferred Jersey Policy) where NPLL and PLAL agree prior to the Jersey Transfer Date that its transfer should be delayed or should not be transferred at all;
- (c) any property of NPLL attributable to the Transferred Jersey Business which is outside the jurisdiction of the Royal Court or in respect of which the transfer pursuant to an order of the Royal Court is not recognised by the laws of the jurisdiction in which the property is situated (excluding any such property which is capable of being transferred, and is transferred, to PLAL under the UK Scheme on the Transfer Date or the Guernsey Scheme on the Guernsey Transfer Date);
- (d) any property of NPLL attributable to the Transferred Jersey Business which cannot be transferred to or vested in PLAL on the Jersey Transfer Date for any other reason (excluding any such property which is capable of being transferred, and is transferred, to PLAL under the UK Scheme on the Transfer Date or the Guernsey Scheme on the Guernsey Transfer Date);
- (e) assets representing the CRR Amount attributable to the Transferred Jersey Business; and
- (f) any proceeds of sale or income or other accrual or return whatsoever, whether or not in any case in the form of cash, or any other property or rights earned or received from time to time after the Jersey Transfer Date but prior to any relevant Subsequent Jersey Transfer Date in respect of any such property referred to in paragraphs (a) to (e) of this definition;

**"Residual Jersey Liability"** means any liability whatsoever of NPLL that is attributable to, or connected with, the Transferred Jersey Business (other than any liability or obligation under an Excluded Jersey Policy):

- (a) that is attributable to or connected with a Residual Jersey Asset and arises at any time before the Subsequent Jersey Transfer Date applicable to that Residual Jersey Asset, including any liability to taxation; or
- (b) in respect of which the Royal Court has declined to order the transfer to PLAL pursuant to Article 27 of and Schedule 2 to the Insurance Business Law on the Jersey Transfer Date; or
- (c) that cannot be transferred to or vested in PLAL for any other reason on the Jersey Transfer Date (excluding any such liability which is capable of being transferred, and is transferred, to PLAL under the UK Scheme on the Transfer Date or the Guernsey Scheme on the Guernsey Transfer Date);

**"Royal Court"** means the Royal Court of Jersey;

**"Subsequent Jersey Transfer Date"** means, in relation to any Residual Jersey Asset or Residual Jersey Liability, the date (and each date) after the Jersey Transfer Date on which such Residual Jersey Asset or Residual Jersey Liability is or is to be transferred to PLAL, namely:

- (a) in respect of any Residual Jersey Asset falling within paragraph (a), (c) or (d) of the definition of Residual Jersey Assets, and of any Residual Jersey Liability which is attributable to or connected with that Residual Jersey Asset or which falls within paragraph (b) or (c) of the definition of Residual Jersey Liability, the date on which any impediment to its transfer shall have been removed or overcome;
- (b) in respect of any Residual Jersey Asset falling within paragraph (b) or (f) of the definition of Residual Jersey Assets and of any Residual Jersey Liability which is attributable to or connected with that Residual Jersey Asset, the date on which NPLL and PLAL agree the transfer should take effect; and
- (c) in respect of any assets representing the CRR Amount, the date on which, in the opinion of the NPLL Board, having obtained appropriate actuarial advice, such assets or part thereof are no longer required to be retained in NPLL in order for NPLL to be able to meet its Capital Resources Requirements;

**"Transferred Jersey Assets"** means all and any:

- (a) Transferred Assets whatsoever and wheresoever situated comprised in or attributable to the Transferred Jersey Business as at the Jersey Effective Date; and
- (b) property belonging to NPLL at any time between the Jersey Effective Date and the Jersey Transfer Date which was not property of NPLL at [00:01 GMT on 1 January 2015] but which would have fallen within paragraph (a) of this definition of Transferred Jersey Assets had it been property of NPLL at that time,

but excluding the Residual Jersey Assets and any rights, benefits and powers under or relating to the Excluded Jersey Policies or the Excluded Jersey Policies Reassurance Arrangement;

**"Transferred Jersey Business"** means the whole business, undertaking and associated activities of NPLL carried on at the Jersey Transfer Date to the extent that the same comprises or forms part of the Jersey Business, but excluding the Excluded Jersey Policies;

**"Transferred Jersey Liabilities"** means all and any:

- (a) Transferred Liabilities whatsoever and wheresoever situated comprised in or attributable to the Transferred Jersey Business or arising in connection with or in relation to that business as at the Jersey Effective Date; and
- (b) liabilities whatsoever of NPLL at any time between the Jersey Effective Date and the Jersey Transfer Date which were not liabilities of NPLL at [00:01 GMT on 1 January 2015] but which would have fallen within paragraph (a) of this definition of Transferred Jersey Liabilities had they been liabilities of NPLL at that time,

but excluding the Residual Jersey Liabilities and any liabilities under or relating to the Excluded Jersey Policies or the Excluded Jersey Policies Reassurance Arrangement;

**"Transferred Jersey Policies"** means every Jersey Policy written by NPLL:

- (a) under which any liability remains unsatisfied or outstanding at the Jersey Effective Date and comprised in the Transferred Jersey Business, including:
  - (i) Jersey Policies written by NPLL which have lapsed on or before the Jersey Effective Date and which are reinstated by PLAL after the Jersey Transfer Date; and
  - (ii) all proposals received by or on behalf of NPLL before the Jersey Effective Date which have not become Jersey Policies in force by the Jersey Effective Date but which subsequently become Jersey Policies; and
- (b) at any time between the Jersey Effective Date and the Jersey Transfer Date which were not policies of NPLL at [00:01 GMT on 1 January 2015] but which would have fallen within paragraph (a) of this definition of Transferred Jersey Policies had they been policies of NPLL at that time,

but excluding the Excluded Jersey Policies;

**"UK Scheme"** means the insurance business transfer scheme pursuant to Part VII of FSMA for, amongst other things, the transfer of the entire long-term insurance business of NPLL to PLAL, a copy of which is contained in the Schedule, as it may be varied or amended from time to time in accordance with its terms; and

**"United Kingdom"** means the United Kingdom, as defined in Schedule 1 to the Interpretation Act 1978 of the United Kingdom.

## 2. INTRODUCTION

- 2.1 PLAL and NPLL each carry on long term insurance business in the United Kingdom, in Guernsey and in or from within Jersey (amongst other places).
- 2.2 PLAL is a company incorporated in England and Wales with registered number 1419. The registered office of PLAL is at 1 Wythall Green Way, Wythall, Birmingham, B47 6WG. PLAL has a Category A permit granted under Article 7 of the Insurance Business Law in respect of Long Term Insurance Business of a type falling within the following paragraphs of Part 1 of Schedule 1 to the Insurance Business Law: I (life and annuity), II (marriage and birth), III (linked long term), IV (permanent health), VI (capital redemption) and VII (pension fund management).
- 2.3 NPLL is a company incorporated in England and Wales with registered number 1016269. The registered office of NPLL is at 1 Wythall Green Way, Wythall, Birmingham, B47 6WG. NPLL has a Category A permit granted under Article 7 of the Insurance Business Law in respect of Long Term Insurance Business of a type falling with the following paragraphs of Part 1 of Schedule 1 to the Insurance Business Law: I (life and annuity), III (linked long term) and IV (permanent health).
- 2.4 The purpose of the UK Scheme is to effect the transfer to PLAL of the entire Long Term Insurance Business of NPLL. The purpose of this Jersey Scheme is to effect the transfer to PLAL, subject to the terms of this Jersey Scheme, of all of the Jersey Long Term Insurance Business carried on by NPLL in or from within Jersey and assets and liabilities relating to such business that would not otherwise transfer under the UK Scheme or the Guernsey Scheme. Nothing in this Jersey Scheme shall operate so as to prevent or conflict with any transfer provided for by the UK Scheme or the Guernsey Scheme.

2.5 It is proposed that, in accordance with this Jersey Scheme, a Jersey Order shall be made to effect the transfer of the Transferred Jersey Business to PLAL on the Jersey Transfer Date but with effect from the Jersey Effective Date on the same terms as the terms of the UK Scheme governing the transfer of the Transferred Business to PLAL and as if the Transferred Jersey Business were part of the Transferred Business as defined in the UK Scheme.

### 3. **TRANSFER OF BUSINESS BY INCORPORATION OF THE UK SCHEME**

3.1 The terms of the UK Scheme shall apply to the Transferred Jersey Business, Transferred Jersey Assets and the Transferred Jersey Liabilities, in the same manner as they apply to the Transferred Assets and the Transferred Liabilities, and (save to the extent inconsistent with any of the provisions of the Jersey Scheme) the terms of the UK Scheme (subject to the excluded paragraphs set out at Clause 3.2) shall be deemed to be part of the Jersey Scheme as if reproduced herein *mutatis mutandis*. For this purpose, the following definitions of the UK Scheme shall be read and construed as follows:

3.1.1 Transferred Business shall be read as Transferred Jersey Business;

3.1.2 Transferred Policies shall be read as Transferred Jersey Policies;

3.1.3 Transferred Assets shall be read as Transferred Jersey Assets;

3.1.4 Transferred Liabilities shall be read as Transferred Jersey Liabilities;

3.1.5 Excluded Policies shall be read as Excluded Jersey Policies;

3.1.6 Residual Assets shall be read as Residual Jersey Assets;

3.1.7 Residual Liability shall be read as Residual Jersey Liability;

3.1.8 Effective Date shall be read as Jersey Effective Date;

3.1.9 Transfer Date shall be read as Jersey Transfer Date;

3.1.10 Scheme shall be read as the Jersey Scheme;

3.1.11 Subsequent Transfer Date shall be read as Subsequent Jersey Transfer Date;

3.1.12 Court shall be read as the Royal Court;

3.1.13 Order shall be read as Jersey Order;

3.1.14 all references to the Data Protection Act 1998 shall be read as reference to the equivalent provisions of the Data Protection (Jersey) Law 2005;

3.1.15 Excluded Policies Reassurance Arrangement shall be read as Excluded Jersey Policies Reassurance Arrangement; and

3.1.16 Policy and Policyholder shall be read as Jersey Policy and Jersey Policyholder.

3.2 Paragraphs 6.4, 14.2, 14.3 and 39 of the UK Scheme shall not be deemed to be part of this Jersey Scheme.

4. **GOVERNING LAW**

This Jersey Scheme and any disputes or claims arising out of or in connection with its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with Jersey law.



**SCHEDULE: THE UK SCHEME**

*[To be inserted]*