



PHOENIX LIFE

# PENSION ANNUITY TRANSFER SCHEME

A guide for non-transferring policyholders

A guide for non-transferring policyholders on the transfer of certain pension annuities from Phoenix Life Limited to ReAssure Limited

**September 2016**

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We, Phoenix Life Limited (**Phoenix**) have prepared this guide to summarise our proposals to transfer approximately 58,000 pension annuities from **Phoenix** to ReAssure Limited (**ReAssure**). Within this guide, and other related material, we refer to these proposals as 'the **Scheme**'.

This guide is intended for holders of policies that are not transferring. We have a separate guide for holders of transferring policies which is available on our website, details of which are given in section 7.

Within this guide you will find:

- important information about the **Scheme** and how it affects you (section 3);
- details of how to contact us and raise any concerns you may have about the **Scheme** (section 4);
- a summary of the report produced by the **Independent Expert** that considers how policyholders' interests may be affected by the **Scheme** (section 6); and
- a copy of the formal notice of our application to the **High Court** for approval of the **Scheme** (Appendix 1).

Words in bold in this document are explained in section 8 – Definitions.

**Phoenix** and **ReAssure** have applied to the **High Court** for permission to transfer certain annuity business to **ReAssure**.

The **High Court** will only approve the **Scheme** if it is satisfied that all the necessary legal requirements have been met and that the proposals treat policyholders appropriately.

We expect the **hearing** at the **High Court** to be held on 19 December 2016. If the **High Court** approves the **Scheme**, we expect the transfer to take place on 31 December 2016 (the **transfer date**).

An **Independent Expert**, Oliver Gillespie, who is a partner at Milliman LLP, has written a report providing detailed independent, expert opinion on how the proposals are likely to affect policyholders. Mr Gillespie is a Fellow of the Institute and Faculty of Actuaries and is independent of the companies involved in the **Scheme** and the Prudential Regulation Authority (**PRA**) has approved his appointment in consultation with the Financial Conduct Authority (**FCA**). This report, which has been reviewed by our **regulators** the **PRA** and the **FCA**, will help the **High Court** reach their decision.

In his report, Mr Gillespie says that he is satisfied that the transfer will not have a material adverse effect on the reasonable benefit expectations of the non-transferring **Phoenix** policyholders or on the governance, management and service standards that apply to the non-transferring **Phoenix** policies.

We have included a summary of this report in section 6 of this guide.

In addition, we have consulted directly with our **regulators** and they have reviewed the **Scheme**.

A small number of the pension annuities that we are proposing to transfer are held by policyholders who are resident in the Isle of Man. If the **Scheme** is approved by the **High Court**, the **Scheme** will apply to this group of Isle of Man policies, and they will transfer to **ReAssure**.

## 3 What this means for you

### 3.1 Introduction

If the **High Court** approves the **Scheme**, we will transfer certain pension annuities from three of the with-profits funds of **Phoenix** to **ReAssure** on the **transfer date** which we expect to be 23:58 on 31 December 2016. The transferring annuity policies are from the Alba With-Profits Fund, the Phoenix With-Profits Fund and the SAL With-Profits Fund within **Phoenix**.

This guide has been written for **Phoenix** policyholders that do not have a transferring annuity. During September / October 2016, we are writing to policyholders who have a pension annuity that we propose to transfer. We will send a separate letter for each pension annuity we plan to transfer and each letter will clearly show the policy number of the pension annuity that is affected. Within the information that is being sent is a guide written for transferring policyholders which is also available on our website. Section 7 of this guide explains how you can obtain this document and further information.

### 3.2 With-profits policies in the Alba, SAL and Phoenix With-Profits Funds

No **with-profits policies** are transferring. The **non-profit policies** that we propose to transfer are being removed from three funds within **Phoenix** – the Alba, SAL and Phoenix With-Profits Funds. The costs of the **Scheme** will be met by these three funds but the **Scheme** will have a positive impact because the release of capital held in relation to the transferring business will outweigh these costs.

For **with-profits policies** within the Phoenix With-Profits Fund, removal of this business, and release of the capital mentioned above, is expected to enable a small increase in the distribution of the estate to the with-profits policyholders to occur, compared to a position where the transfer did not happen.

Neither the SAL With-Profits Fund nor the Alba With-Profits Fund is distributing estate at the moment. However, the removal of the annuity business should bring forward the date at which these funds might be able to distribute their estates in the future.

For each with-profits fund there will be no changes as a result of the **Scheme** to the investment strategy, the way asset shares, bonus rates and surrender values are calculated, the way tax is calculated or the service arrangements in place.

### 3.3 Other with-profits policies

There will be no impact on **with-profits policies** in any of the other funds of **Phoenix**.

### 3.4 Non-profit policies and other annuities in payment

We are only looking to transfer certain pension annuities. If you have a pension annuity with **Phoenix** and you don't receive a letter from us, then we are not transferring your pension annuity and nothing will change for you. The payment dates, the amount you receive and any guarantees you have will not be affected by the transfer.

If you have any other **non-profit policy** with **Phoenix**, it will not be affected by the **Scheme**.

### 3.5 All non-transferring Phoenix policies

If you have a policy with **Phoenix** that is not transferring, the **Scheme** will not change the way your policy is managed, its terms and conditions or any guarantees that you have. The level of service you receive will not be affected. When you call us, you will speak to the same team of people on the same phone number as you do now.

## 4

## What you should do next

If you are happy with our proposals, you do not need to do anything.

If you have any questions or concerns after reading this guide, please contact us; details of how to do this are given in section 7.

Alternatively, you may wish to speak to an authorised financial adviser about the proposed transfer. If you do not already have a financial adviser, our helpline can put you in contact with an authorised financial adviser or you can find details of the advisers in your area at [www.unbiased.co.uk](http://www.unbiased.co.uk). Please note that financial advisers may charge you for providing advice.

If you believe you may be adversely affected by the **Scheme**, you can raise your concerns or objections, which will be considered by the **High Court**, in either or both of the following ways.

- You can call our helpline, use the enquiry form on our website or write to us at the address given in section 7 quoting reference AT16scheme and your policy number.
- You can attend the **High Court hearing** and present your concerns or objections in person. A representative can present on your behalf. Your representative does not need legal training and could be a friend or relative.

If you call or write to us with any concerns or objections, we will reply to you and send your concern or objection and our reply to the **High Court**, the **Independent Expert** and our **regulators** before the **hearing** which we expect to be held on 19 December 2016.

If you wish to raise any concerns, to object to the proposals and / or plan to go to the **High Court hearing**, it would be helpful if you could get in touch with us as soon as possible and preferably before 9 December 2016. By informing us, we will be able to let you know about the exact timing and location of the **hearing** as well as any changes that may be made in relation to the **hearing**, for example a change of time or date. We may also be able to deal directly with any concerns you have.

This summary sets out the principle provisions of the **Scheme** relating to non-transferring policyholders.

### 5.1 Transferring the business

If the **Scheme** goes ahead, on the **transfer date** we will transfer certain pension annuities to **ReAssure**. **ReAssure** will become the product provider and will then be responsible for future pension annuity payments. **ReAssure** will also take over all the rights and obligations relating to the transferred pension annuities, other than in respect to any liability for the past management of the business. Transferring policyholders will be entitled to the same rights against **ReAssure** in respect of their pension annuity as they have against **Phoenix**.

Please see section 2 for more information about the process we are following and section 7 to find out how you can obtain the full **Scheme** document and other information free of charge.

### 5.2 Transfer date

**Phoenix** and **ReAssure** can agree to defer the transfer until after 23:58 on 31 December 2016. In that case, the transfer should take place no later than 31 March 2017. Any change to the **transfer date** will be announced on the **Phoenix** and **ReAssure** websites. **Phoenix** and **ReAssure** would need to obtain **High Court** approval to extend the **transfer date** beyond 31 March 2017.

### 5.3 Excluded policies

If, for technical reasons, we are unable to transfer any pension annuity or group of pension annuities within six months of the **transfer date**, those pension annuities will be retained by **Phoenix** and the **Scheme** will not affect them.

### 5.4 Cost provisions

None of the costs and expenses relating to the preparation of the **Scheme** or the **High Court** process will be borne by the transferring policyholders. Further detail on the allocation of costs can be found in section 6.

### 5.5 Amendment of the Scheme

The **Scheme** may be amended by application to the **High Court**, provided that the **PRA** and the **FCA** have been notified of the application and a certificate is obtained from an independent actuary confirming that in his or her opinion the proposed amendment will not materially adversely affect the security or reasonable expectations of the policyholders of **ReAssure**, including the policyholders transferring under the **Scheme**. The **Scheme** may also be amended without application to the **High Court** where the amendment is considered to be minor or necessary to correct an error or omission, provided that the **PRA** and the **FCA** have been notified of the amendment and have not objected.

The following is a summary of the report written by the **Independent Expert**. Mr Oliver Gillespie, who is a partner at Milliman LLP, has written a report providing detailed independent, expert opinion on how the proposals are likely to affect policyholders. Mr Gillespie is independent of the companies involved in the **Scheme** and the **PRA** has approved his appointment in consultation with the **FCA**. His report, which has been reviewed by our **regulators** the **PRA** and the **FCA**, will help the **High Court** reach their decision.

For a full understanding of the conclusions that the **Independent Expert** has reached, together with the rationale for those conclusions, it is important to read his full report. It is important to consider the limitations and assumptions contained in his report when interpreting these conclusions. You can see the full version of the **Independent Expert's** report on our website, or you can get a paper copy by calling our helpline, or writing to us at the address given in section 7.

In December 2016, shortly before the final **hearing**, the **Independent Expert** will issue a supplementary report in which he will consider any developments since his first report that might affect policyholders, including updated financial information. You will be able to find this on our website [www.phoenixlife.co.uk/AT16scheme](http://www.phoenixlife.co.uk/AT16scheme), under 'Technical information'.

### **Report summary**

The purpose of my report is to assist the **High Court** in deciding whether to sanction the **Scheme**.

As **Independent Expert**, I have considered the effect that the **Scheme** will have on the transferring **Phoenix** policyholders, the existing policyholders of **ReAssure** and the non-transferring **Phoenix** policyholders. I have examined the implications of the **Scheme** for each group and have reviewed in particular the likely impact on:

- the security of policyholder benefits;
- the reasonable expectations of policyholders in respect of their benefits; and
- the service standards and governance applicable to the policies.

Where the **Scheme** affects a particular group of policyholders, I have considered whether the policyholders are, or are likely to be, "materially adversely affected" by the **Scheme**. In forming a view of whether an effect is material, I have considered both the size and likelihood of the effect. If a potential effect is very unlikely to happen and does not have a significant impact, or is likely to happen but has a very small impact, then I do not consider it material.

For a full understanding of the conclusions that I have reached in relation to this **Scheme**, together with the rationale for those conclusions, policyholders of **ReAssure** and **Phoenix** should read my main report, and the limitations and assumptions contained in that report should be borne in mind when interpreting its conclusions.

### **The effect of the Scheme on the non-transferring Phoenix policyholders**

#### ***The security of benefits of the non-transferring Phoenix policies***

My report gives details of the financial impact of the transfer on the funds within **Phoenix**, but in summary the transfer results in a modest improvement to the overall financial position of **Phoenix**, principally driven by the release of expense reserves in **Phoenix** being larger than the

assets transferred to **ReAssure** under the **Scheme**, as well as small reductions in **Phoenix's** regulatory capital requirements.

The PCP will still apply to **Phoenix** after the transfer and there will be no changes to the PCP as a result of the transfer.

I am therefore satisfied that the transfer will not have a material adverse effect on the financial strength available to support the security of the benefits of the non-transferring **Phoenix** policies.

### ***The reasonable expectations of the non-transferring Phoenix policyholders***

In section 9 of my report, I set out that the **Scheme** will not directly result in changes for the non-transferring **Phoenix** policies. In particular, the transfer will not change:

- the terms and conditions of the non-transferring **Phoenix** policies;
- the charges applied to the non-transferring **Phoenix** policies;
- the management, governance, administration and servicing of the non-transferring business;
- the principles, practices, methodology and bases used to calculate bonuses and surrender values of the non-transferring business and used to calculate asset shares and surrender values of **Phoenix with-profits policies**; or
- the administration and asset management arrangements for the policies of **Phoenix** and the governance around these including the performance standards of **Phoenix** to which these arrangements are held.

It should also be noted that the **Phoenix** With-Profits Committee recommended the transfer of the annuities out of **Phoenix** for the benefit of with-profits policyholders in the relevant ring-fenced funds.

I am therefore satisfied that the transfer will not have a material adverse effect on the reasonable benefit expectations of the non-transferring **Phoenix** policyholders or on the governance, management and service standards that apply to the non-transferring **Phoenix** policies.

### **The effect of the Scheme on the transferring Phoenix policyholders**

Under the proposed **Scheme**, the transferring **Phoenix** policyholders will transfer from certain with-profits funds in **Phoenix** (the Alba With-Profits Fund, the SAL With-Profits Fund and the Phoenix With-Profits Fund) to **ReAssure's** non-profit fund (the RNPF).

### ***Security of policyholder benefits***

At the moment, most of the risks under the transferring **Phoenix** policies are reinsured to **RLL** under the terms of a reinsurance agreement. When a claim arises under one of the transferring policies, **Phoenix** is responsible for paying the benefits due and then, in accordance with the reinsurance agreement, it subsequently recovers an appropriate amount from **RLL**.

The transferring **Phoenix** policies therefore currently achieve security for their guaranteed benefits from the assets in **Phoenix**, including the "reinsurance asset" representing the value of the amounts recoverable from **RLL** under the reinsurance agreement. An associated security agreement contributes to the strength of the reinsurance asset.

After the transfer, the transferring annuities will be allocated to the RNPF, and will achieve security for their guaranteed benefits from the assets in **ReAssure**. The reinsurance of the annuities with **RLL** and the associated security agreement will transfer to become an asset of



**ReAssure** rather than **Phoenix** (unless and until the **RLL** Scheme is effected, at which point the reinsurance agreement will terminate).

The comparative ability of **ReAssure** and **Phoenix** to provide security for the benefits of the transferring policies depends on the relative financial strength of the two companies. This financial strength must be considered in the context of the restrictions that are in place in respect of changing that financial strength and for both **ReAssure** and **Phoenix**, such restrictions are set out in the relevant company's capital policy: the Phoenix Capital Policy (PCP) or ReAssure Capital Policy (RCP). In addition to the level of capital required under each capital policy, consideration should be given to the governance around changes to each policy and the response of the firm to breaches of its capital policy.

In section 7 of my report, I cover the comparison of the two capital policies in detail. In summary I am satisfied that, whilst there are some differences between the capital policies of the two firms, the likelihood of insolvency under the RCP is sufficiently remote for there to be no material effect on the security of the transferring policies by being subject to the RCP rather than the PCP.

The RCP and PCP are set by the respective Boards of **ReAssure** and **Phoenix** and could therefore be changed by those Boards. In my report, I compare the governance surrounding changes to the capital policies, but in summary a material weakening of the capital policies would be very unlikely to take place without the non-objection of the **PRA**.

For the reasons set out above, and set out in section 7 of my report, I am satisfied that the transfer will not have a material adverse effect on the security of benefits under the transferring **Phoenix** policies.

### ***The reasonable expectations of the transferring Phoenix policyholders***

The transfer will not change:

- the level of guaranteed income under the transferring **Phoenix** policies or the dates on which this income is received;
- the terms and conditions of the transferring **Phoenix** policies (except that the policies will become policies of **ReAssure**);
- the charges that apply to the transferring **Phoenix** policies;
- the standards of governance and management of the transferring **Phoenix** policies; or
- the standards of administration and asset management for the transferring **Phoenix** policies.

The transferring business is currently managed by, and subject to the governance of, the Board of **Phoenix**. Following the transfer this will be a matter for the **ReAssure** Board, which is experienced in the management and governance of non-profit annuity business. In particular, the RNPF currently includes nearly 400,000 annuities, and therefore the transfer into **ReAssure** of 58,000 new annuities will not result in significantly different requirements from the point of view of governance. In addition, the **ReAssure** Fairness Committee will oversee the transferring business in relation to the fair treatment of customers. Therefore, I am satisfied that the transfer will not have a material adverse effect on the management or the governance of the transferring **Phoenix** policies.

The administration of the transferring **Phoenix** policies is currently outsourced to Diligenta and Capita. **ReAssure** has put in place new outsourcing arrangements with Diligenta and Capita that are similar to the arrangements in place between **Phoenix** and these two outsource services providers. In particular, I understand that these new arrangements will provide the same services

and the same level of service as the current arrangements and that therefore there should be no material change to the servicing and administration standards as a result of the implementation of the proposed **Scheme**.

As described in section 10 of my full report, **ReAssure** plan to move the administration of the transferring policies to a service company within Admin Re during 2017, although this will only go ahead if the transferring and existing policyholders are expected to receive a comparable level of service following the migration. It should also be noted that Admin Re currently administers a large amount of business including approximately 382,000 in-payment annuities and has maintained servicing and administration levels following recent migrations.

I am satisfied that the transfer will not have a material adverse effect on the reasonable benefit expectations of the transferring **Phoenix** policyholders or on the governance, management and service standards that apply to the transferring business.

### ***The RLL Scheme***

There is another Part VII transfer proposed known as the **RLL** Scheme, under which it is proposed to transfer the business of **RLL** into **ReAssure**. I have also been instructed to act as **Independent Expert** in relation to the **RLL** Scheme.

My report on the **RLL** Scheme concludes that it will not have a material adverse effect on the policies of **ReAssure**, including any policies transferred in from **Phoenix** under the **Scheme**. I am therefore satisfied that my conclusions above hold in the event that the **RLL** Scheme is subsequently implemented.

### ***The effect of the Scheme on the existing policyholders of ReAssure***

Since the transferring **Phoenix** policies will be allocated to the RNPF, I have considered the effect of the **Scheme** separately in relation to the existing **ReAssure** policyholders with policies in the RNPF and those with policies in **ReAssure**'s with-profits funds.

### ***Security of policyholder benefits for the RNPF business***

Currently, the security of the guaranteed benefits of the RNPF business is provided by assets in **ReAssure**, principally the assets of the RNPF held to back policy liabilities and the assets held to satisfy the capital requirements and RCP.

The proposed transfer will have no impact on the assets held to back policy liabilities in relation to the existing RNPF business. The transfer will result in some assets being transferred to **ReAssure** to support the additional expenses expected to be incurred by **ReAssure** as a result of the transfer. In addition, the transfer will reassign the reinsurance of the transferring policies such that **ReAssure** replaces **Phoenix** as the cedant in that agreement.

The proposed transfer would, based on financial information at 31 December 2015, result in a reduction in the regulatory capital coverage ratio of the RNPF from 166% to 165%. The financial information therefore shows that the implementation of the **Scheme** is not expected to materially affect the position of the RNPF. This is because most of the risks of the transferring business lie within **RLL** both before and after the implementation of the **Scheme**.

I am therefore satisfied that the transfer will not have a material adverse effect on the financial strength available to support the security of the benefits of the RNPF business.

### ***The reasonable expectations of the RNPF policyholders***

The transfer will not change:

- the terms and conditions of the existing RNPF policies;
- the methodology used to calculate the surrender values of the RNPF policies;

- the charges that apply to the RNPF policies;
- the exercise of discretion in respect of the management of the unit-linked funds in the RNPF;
- the administration and asset management arrangements for the policies of **ReAssure** and the governance around these, including the performance standards of **ReAssure** to which these outsourcing and asset management arrangements are held;
- the governance and management of the RNPF policies, which will continue to be the responsibility of the **ReAssure** Board; or
- the risk appetite to which **ReAssure** is managed.

I am therefore satisfied that the transfer will not have a material adverse effect on the reasonable benefit expectations of the policyholders of the RNPF business or on the governance, management and service standards that apply to the RNPF business.

### ***Policies in ReAssure's with-profits funds***

No policies, assets or liabilities are transferring into or out of the with-profits funds of **ReAssure** as a result of the **Scheme**. These funds are only affected by the RNPF in the extreme scenario in which they require support from the RNPF or are required to provide support to the RNPF. The latter situation would only occur in the event of the insolvency of **ReAssure**.

The transfer will not change:

- the terms and conditions of the policies of the **ReAssure** ring-fenced funds;
- the charges applied to the policies of the **ReAssure** ring-fenced funds;
- the management, governance, administration and servicing of the policies of the **ReAssure** ring-fenced funds;
- the principles, practices, methodology and bases used to calculate bonuses and surrender values of the non-transferring business; used to calculate asset shares and surrender values of policies of the **ReAssure** ring-fenced funds; or
- the outsourcing and asset management arrangements for the policies of the **ReAssure** ring-fenced funds and the governance around these including the performance standards of **ReAssure** to which these arrangements are held.

### **Other considerations arising from the transfer**

#### ***The approach to communication with policyholders***

Regulations require a communication regarding the proposed transfer to be sent to every policyholder of the parties under the **Scheme**. However, consideration may be given to the practicality and costs of sending notices against the likely benefits for policyholders of receiving such communications.

In addition to the information pack sent out to transferring policyholders, **ReAssure** and **Phoenix** will publish a notice in a form approved by the **High Court** in the London Gazette, the Edinburgh Gazette, the Belfast Gazette and the following national newspapers in the UK: The Times, The Daily Telegraph, the Daily Mirror and the Daily Mail. Additionally, **ReAssure** and **Phoenix** will publish a notice in two national newspapers in France, Ireland and Spain, which are the three EEA states, other than the United Kingdom, in which 150 or more transferring policies are held. **Phoenix** and **ReAssure** also propose that the **Scheme** be notified to the supervisory authorities in all EEA states, and **Phoenix** intends to request this from the **PRA**.

**ReAssure** and **Phoenix** have been granted waivers from the requirements to communicate directly with the existing policyholders of **ReAssure** and the non-transferring **Phoenix** policyholders. In section 10 of my report I set out why I am satisfied that the proposed approach to communication with policyholders, including the application for the waiver, is fair and reasonable.

### ***The costs of the Scheme***

The costs of the **Scheme** will be borne by **ReAssure** and the inherited estates of the Phoenix WPF, the Alba WPF and the SAL WPF. Each party will pay its own costs and expenses in relation to the negotiation, preparation, execution, carrying into effect and potential termination of the **Scheme**.

The first £2 million of external costs, including the **Independent Expert**, Court fees and any advertising, printing and mailing costs, will be borne by **ReAssure**. Thereafter such costs will be split equally between **ReAssure** and **Phoenix**. **Phoenix's** share of the costs of the **Scheme** are estimated at £5 million and will be borne by the Phoenix WPF, the Alba WPF and the SAL WPF.

The **Scheme** costs borne by **Phoenix** are to be split between the three **Phoenix** with-profits funds in proportion to the value of the transferring gross best estimate policyholder benefit liabilities as at 31 December 2015. I am satisfied that this method is appropriate as the best estimate liability is broadly a proxy for the amount of risk inherent in the annuities, and therefore the costs borne by each fund approximately reflects the level of risk that is being removed from the fund.

**ReAssure's** share of any costs of the **Scheme** will be charged to the RNPF and not to the ring-fenced funds.

I set out in my main report why I am satisfied that the approach of **Phoenix** and **ReAssure** to the allocation of the costs of the **Scheme** is reasonable.

### ***The loss of potential advantages for the non-transferring policies in the Phoenix ring-fenced funds***

From the perspective of the relevant **Phoenix** ring-fenced funds, the transfer would remove the residual risks in relation to the transferring business; for example expense risk and counterparty default risk in relation to **RLL**. The removal of these risk exposures would mean that any possible advantage or benefit in relation to those risks can no longer accrue to the with-profits policyholders in those ring-fenced funds. I set out in my main report why, in practice, it is unlikely that this would be a material disadvantage for the non-transferring policies in the **Phoenix** ring-fenced funds.

### ***Financial Services Compensation Scheme and Financial Ombudsman Service***

The implementation of the **Scheme** will have no impact on the rights of the policyholders of **Phoenix** or **ReAssure** in relation to the Financial Services Compensation Scheme or Financial Ombudsman Service.

### **Overall conclusions**

For the reasons given above and discussed in detail in my report, I am satisfied that the proposed **Scheme** will not have a material adverse effect on:

- the security of benefits of the policyholders of **ReAssure** and **Phoenix**;
- the reasonable expectations of the policyholders of **ReAssure** and **Phoenix** with respect to their benefits; or

- the service standards and governance applicable to the **ReAssure** and **Phoenix** policies.

These conclusions also hold whether or not the **RLL** Scheme is sanctioned by the **High Court** and implemented immediately after the **Scheme**.

## 7

## More information

As well as this guide, the documents listed below relating to the **Scheme** are available on our website at [www.phoenixlife.co.uk/AT16scheme](http://www.phoenixlife.co.uk/AT16scheme).

Scheme mailing pack for transferring policyholders	‘Pension annuity transfer Scheme – Policyholder guide’ ‘Pension annuity transfer Scheme – Your questions answered’ Example policyholder letters
Other information	The full Scheme document The Independent Expert’s full report for the Scheme Reports by the actuaries of Phoenix on the impact of the Scheme

If you have any questions, or would like paper copies of any of the documents listed above, please call the helpline on:

**0800 169 5577**

The helpline is open from 9am to 5pm, Monday to Friday, up until the day before the **hearing**.

This helpline is only for questions about the **Scheme**. If you have any general questions about your policy, please contact us on the normal customer number which you will find on previous letters we have sent you.

You may also write to us at:

Restructure Team (reference AT16scheme)  
 Lynch Wood Park  
 Lynch Wood  
 Peterborough  
 PE2 6FY

If you do write to us, it would help if you could please **quote reference AT16scheme and your policy number**. You will find your policy number on your policy documents or annual statement.

You can also see a copy of the **Independent Expert’s** full report for the **Scheme** at our solicitors’ offices at the addresses shown in Appendix 1.

**FCA** – the Financial Conduct Authority, one of our industry regulators.

**Hearing** – the hearing at the **High Court** to approve the **Scheme**, which we expect to be held on 19 December 2016.

**High Court** – the High Court of Justice of England and Wales, Rolls Building, Fetter Lane, London EC4A 1NL.

**Independent Expert** – Oliver Gillespie of Milliman LLP, an actuary experienced in the issues relating to long-term insurance businesses, who has been appointed by **Phoenix** and **ReAssure** as the Independent Expert in connection with the **Scheme**. His appointment has been approved by the **PRA** in consultation with the **FCA**. He has prepared a report on the effect of the **Scheme** on policyholders.

**Non-profit policy** – the benefits of non-profit policies are normally set at outset and stated in the terms and conditions of the policy, or linked to a specified index or value of specified investment fund units.

**Phoenix** – Phoenix Life Limited, a company within the Phoenix Group of companies whose ultimate parent company is Phoenix Group Holdings.

**PRA** – the Prudential Regulation Authority, one of our industry regulators.

**ReAssure** – ReAssure Limited, the company to which we are proposing to transfer certain pension annuity business, a company within Admin Re. Admin Re is owned by the global insurer and reinsurer Swiss Re. For more information about ReAssure, visit the website at [www.reassure.co.uk](http://www.reassure.co.uk).

**Regulators** – our industry regulators, the Financial Conduct Authority (**FCA**) and the Prudential Regulation Authority (**PRA**).

**RLL** – ReAssure Life Limited, a company within the Swiss Re Group, previously known as Guardian Assurance Limited.

**Scheme** – the process by which the proposed pension annuities will transfer to **ReAssure**. The Scheme sets out the terms under which **ReAssure** will be responsible for those transferring pension annuities which are currently the responsibility of **Phoenix**.

**Transfer date** – 23:58 on 31 December 2016. This is the date when certain pension annuities will transfer from **Phoenix** to **ReAssure** under the **Scheme**. **Phoenix** and **ReAssure** can agree to defer the transfer but it should take place no later than 31 March 2017.

**With-profits policy** – holders of with-profits policies have a right to share in some of the profits of that company or part of that company.

## Appendix 1

IN THE HIGH COURT OF JUSTICE  
CHANCERY DIVISION  
COMPANIES COURT

IN THE MATTER OF PHOENIX LIFE LIMITED

- and -

IN THE MATTER OF REASSURE LIMITED

- and -

IN THE MATTER OF THE FINANCIAL SERVICES AND MARKETS ACT 2000

NOTICE IS HEREBY GIVEN that on 13 September 2016 Phoenix Life Limited ("**Phoenix**") and ReAssure Limited ("**ReAssure**") applied to the High Court of Justice of England and Wales, pursuant to section 107(1) of the Financial Services and Markets Act 2000 (the "**Act**"), for an Order under section 111 of the Act sanctioning a scheme (the "**Scheme**") for the transfer to ReAssure of certain annuity business of Phoenix (the "**Business**") and for the making of ancillary provisions in connection with the implementation of the Scheme under sections 112 and 112A of the Act. The Business comprises annuities originally issued by, or arising out of policies originally issued by, Phoenix Life & Pensions Limited, Alba Life Limited and Phoenix & London Assurance Limited.

The proposed transfer will result in the Business which is currently carried on by Phoenix being carried on by ReAssure. All annuity payments in respect of the policies comprised within the Business shall, upon the transfer becoming effective, be dealt with by ReAssure.

Copies of the report on the terms of the Scheme prepared by an Independent Expert in accordance with section 109 of the Act (the "**Independent Expert's Report**"), Scheme guides (which contain a statement setting out the terms of the Scheme and a summary of the Independent Expert's Report), and copies of the Scheme document itself can be obtained free of charge by contacting Phoenix or ReAssure using the telephone number or address set out below. These and other documents relating to the Scheme (including actuarial reports and sample copies of the communications to policyholders) are also available on the websites of Phoenix and ReAssure at [www.phoenixlife.co.uk](http://www.phoenixlife.co.uk) and [www.reassure.co.uk](http://www.reassure.co.uk).

Any questions or concerns relating to the proposed transfer should be referred to Phoenix or ReAssure using the following telephone number or address:

Restructure Team (reference AT16scheme)  
Lynch Wood Park  
Lynch Wood  
Peterborough  
PE2 6FY

Calling from the UK: 0800 169 5577

Calling from overseas: +44 (0)1733 478993

If you have a policy with Phoenix or ReAssure, please quote your policy number in any correspondence. This can be found on your policy documents.

The application is due to be heard before the Companies Court Judge at the Rolls Building, Fetter Lane, London, EC4A 1NL on 19 December 2016 and any person (including any policyholder or employee of Phoenix or ReAssure) who thinks that he or she may be adversely affected by the carrying out of the Scheme may attend the hearing in person or by Counsel. Any person intending to attend is requested to give notice of such intention as soon as possible and preferably before 9 December, setting out their grounds of objection or how they may be adversely affected, either to Phoenix or ReAssure by calling the number above or by writing to the address above, or by writing to the solicitors named below.

Any person who objects or says they may be adversely affected by the Scheme but does not intend to attend the hearing may also make representations about the Scheme by giving notice of such representations, as soon as possible and preferably before 9 December, either to Phoenix or ReAssure by calling the number above or by writing to the address above, or by writing to the solicitors named below.

Hogan Lovells International LLP  
Atlantic House  
Holborn Viaduct  
London EC1A 2FG  
Ref: C1EJ/CSR

**Solicitors to Phoenix**

Linklaters LLP  
1 Silk Street  
London EC2Y 8HQ

Ref: DEOB/MADJ

**Solicitors to ReAssure**

## ANY QUESTIONS ABOUT THE SCHEME?

If you have any questions, please call our helpline  
on 0800 169 5577

Or, if calling from overseas, +44 (0)1733 478993

Lines are open Monday to Friday, 9am to 5pm.

We may monitor or record calls.

### **Or you can write to us at**

Restructure Team (reference AT16scheme)  
Lynch Wood Park  
Lynch Wood  
Peterborough  
PE2 6FY

### **You can also visit our website**

**[www.phoenixlife.co.uk/AT16scheme](http://www.phoenixlife.co.uk/AT16scheme)**

If you would like this information in large print, in  
Braille, or on audio tape or CD, please call us on  
**0800 169 5577**

Phoenix Life Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Phoenix Life Limited is registered in England No. 1016269 and have their registered office at: 1 Wythall Green Way, Wythall, Birmingham B47 6WG