



SUMMARY OF THE SCHEME

The Effective Date

You'll see that in this section, and in the technical documents on our website, we refer to the transfer date of 1 January 2023 as the 'Effective Date'. See also "Conditions that need to be met before the Schemes can become effective" below.

Transfer of business

On the Effective Date (1 January 2023), subject to the approval of the High Court of England and Wales (in respect of the Irish, German and Icelandic policies), and the High Court of Ireland (in respect of the Irish policies only), Phoenix will transfer all of its Irish, German and Icelandic policies to PLAE. This means that PLAE will become the insurer and will be responsible for the transferring policies instead of Phoenix. At the same time, ReAssure will transfer its Norwegian, Swedish and German policies to PLAE.

The Irish Scheme relating to the Irish policies of Phoenix deals only with the transfer of those Irish policies.

On the Effective Date, PLAE will acquire all the rights, benefits and powers of Phoenix and ReAssure in relation to the transferring policies. All policyholders will be entitled to the same rights, benefits and obligations with PLAE as they had before the transfer. Unless stated otherwise in the Scheme, any contracts between Phoenix and any other organisation that relate exclusively to the transferring business will also transfer, so that from the Effective Date such contracts will be between PLAE and that organisation.

Allocation of policies

On the Effective Date:

- The German, Icelandic and Irish policies in the Non-Profit Fund of Phoenix, will transfer to the Non-Profit Fund of PLAE.
- The transferring Irish business that is sitting in four of the with-profits funds of Phoenix, will transfer into four corresponding new with-profits funds within PLAE that will be set up to accept the transferring business.

Transfer of business			
	From Phoenix:	To	New with-profits funds in PLAE:
1	90% With-Profits Fund		PLAE 90% With-Profits Fund
2	Alba With-Profits Fund		PLAE Alba With-Profits Fund
3	Phoenix With-Profits Fund		PLAE Phoenix With-Profits Fund
4	SPI With-Profits Fund		PLAE SPI With-Profits Fund

Reinsurance

On the Effective Date, Phoenix and PLAE will enter into five separate reinsurance agreements: in respect of the four with-profits funds of Phoenix and an additional reinsurance agreement for Phoenix in relation to the transferring unit-linked business. PLAE and ReAssure will also enter into a reinsurance agreement in relation to the transferring ReAssure unit-linked business. Phoenix and ReAssure will each grant security over its assets in relation to the reinsurance, so that if Phoenix or ReAssure were ever to get into financial difficulty, PLAE would not be disadvantaged.

The four with-profits funds reinsurance agreements between Phoenix and PLAE are:

Reinsurance of business			
	From the new PLAE fund	Back to	The Phoenix fund
1	PLAE 90% With-Profits Fund		90% With-Profits Fund
2	PLAE Alba With-Profits Fund		Alba With-Profits Fund
3	PLAE Phoenix With-Profits Fund		Phoenix With-Profits Fund
4	PLAE SPI With-Profits Fund		SPI With-Profits Fund

The purpose of the reinsurance arrangements is to transfer the economic responsibility under the transferring policies back to Phoenix and thereby to minimise the impact of the proposed transfer on with-profits customers. Under the reinsurance arrangements, Phoenix will pay claims to PLAE. PLAE will be responsible for paying benefits to the holders of the transferred policies.

Whilst the reinsurance is in place, any benefits payable will continue to be calculated by reference to the with profits fund of Phoenix to which that policy was allocated prior to the Effective Date. The benefits payable will be no less than the amount you would get had you remained a policyholder of Phoenix.

The unit-linked investments of transferring unit-linked policies will be reinsured back to Phoenix (or to ReAssure for the ReAssure business) through a unit-linked reinsurance agreement. The reinsurance will allow customers to access the same range of unit-linked funds as they do now .

The Schemes require the reinsurance agreements described above to be brought into effect as at the Effective Date.

With-Profits funds

In the event of the termination of any of the with-profits reinsurance agreements, (other than when Phoenix closes the relevant with-profits fund) the Board of PLAE can decide whether it would be appropriate to continue with the running of the PLAE with-profits fund or to convert the with-profits policies on a fair basis to non-profit and to move those policies to the PLAE Non-Profit Fund. The relevant PLAE with-profits fund would at that point cease to exist. If the PLAE Board decide to continue with the PLAE with-profits fund, the fund would have to be managed in-line with the way in which the relevant with-profits fund in Phoenix is currently managed. The process and requirements to ensure that this is achieved are set out in Schedule 1 to the Scheme document which can be found on our website at www.phoenixlife.co.uk/transfer22.

If Phoenix closes a relevant with-profits fund, then the relevant reinsurance agreement will terminate. The relevant PLAE policyholders will then be provided with fair alternative benefits on a non-profit basis in line with that determined by Phoenix for its policyholders, and the business would be transferred into the PLAE Non-Profit Fund. Consequently, the relevant PLAE with-profits fund would cease to exist.

Unit-Linked funds

On the Effective Date, PLAE will become responsible for the transferred unit linked business and PLAE will reinsure the investment element of the unit linked business to Phoenix. There will be no change to the pricing of units or level of charges due to the transfer. If you have a unit-linked policy, immediately following the Effective Date you will have the same number and value of units as you did before.

The Scheme provides for PLAE (subject to certain restrictions, including the terms and conditions of a policy) to allow the division, merger, wind-up or closure to new or further investment or closure of unit-linked funds and the modification of their investment objectives to permit investment in reasonably similar assets.

If PLAE takes any of the actions above, relevant policyholders will be able to switch investment free of charge. There will be no change due to the Scheme to the cost of switching (if any), which will continue in line with existing policy provisions and practice.

Provision of annuity benefits

Any future annuities arising on the transferring Irish business in any of the PLAE with-profits funds or the PLAE Non-Profit Fund, will be issued by the PLAE Non-Profit Fund and retained by PLAE. They will not be reinsured back to Phoenix.

For guaranteed annuities it is possible that the PLAE with-profits fund will retain the annuities and pay them from the relevant PLAE with-profits funds in which case they will be reinsured back to Phoenix.

Residual policies

If, for technical reasons, any policy or group of policies cannot be transferred, we will treat these policies for all practical purposes in the same way as if they had transferred. To achieve this a reinsurance arrangement will be put in place between PLAE and Phoenix, until it is possible to transfer them. Were this to happen, for all intents and purposes, PLAE will act as your insurer from the Effective Date.

Data protection

Under the terms of the Scheme PLAE will become the 'data controller' meaning that it will take over the rights and responsibilities in respect of personal data which is associated with the business of Phoenix.

Costs

None of the costs and expenses relating to the preparation of the Schemes or the High Court process will be met by policyholders.

Conditions that need to be met before the Schemes can become effective

We expect the Schemes to become effective on 1 January 2023. However, this effective date is dependent on certain conditions. These are listed below:

- **Both Courts will approve the Schemes**
The Schemes are contingent on receiving the approval of the High Court of England and Wales (in relation to the transfer of certain EEA-based business of Phoenix and ReAssure to PLAE), and the approval of the Irish High Court (in relation to the transfer of Phoenix's Irish-based business to PLAE).
- **The Capitalisation Requirement is satisfied**
The Board of PLAE has confirmed that PLAE has assets, to a level agreed by the Boards of Phoenix and of ReAssure, to at least meet PLAE's capital policy once the Phoenix and ReAssure business has been transferred to PLAE.

If the conditions aren't satisfied by 1 January 2023 (the Effective Date) or Phoenix, ReAssure and PLAE agree that the Effective Date should be deferred for any other reason, then there is a buffer period which allows the Effective Date to be postponed, to 1 April 2023 at the latest. The Courts' approvals of the Schemes are valid up until that point.

Amendments to the Schemes

Before the UK Scheme is approved by the UK Court or following the UK Court hearing but prior to the Irish Court's approval of the Scheme, Phoenix, ReAssure and PLAE are allowed to make amendments or additions to the UK Scheme. If an amendment is required to be made following the UK Court hearing but prior to the Irish Court's approval, Phoenix, ReAssure and PLAE will notify policyholders on their respective websites as soon as possible and will comply with any directions from the UK Court.

Before the Irish Scheme is approved by the Irish Court, Phoenix, ReAssure and PLAE are allowed to make amendments and additions to the Irish Scheme.

Once both High Courts have approved their respective Schemes, Phoenix, ReAssure and PLAE are still allowed to make amendments or additions to the Schemes but only if they follow a specific process when doing so. This process involves making an application to the High Court, notifying the regulators, publicising the amendment if so directed by the High Court and obtaining a certificate from an independent actuary who will give their opinion on the effect of the proposed amendments on you as policyholders.

The process described above does not have to be followed if only minor or technical amendments are being made.

Phoenix Life Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the United Kingdom and is regulated by the Central Bank of Ireland for conduct of business rules. Phoenix Life Limited is incorporated in England (Company No. 1016269) and its registered office is 1 Wythall Green Way, Wythall, Birmingham B47 6WG United Kingdom. An up-to-date list of its directors, containing the particulars required by paragraphs (a), (b) and (c) of Section 196(1) of the Companies Act 1963, is available upon request from the company's registered office.