



PHOENIX LIFE

SCHEME GUIDE

FOR PHOENIX LIFE ASSURANCE LIMITED POLICYHOLDERS

May 2023



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1 INTRODUCTION

Our proposals

We're planning to transfer all policies of Phoenix Life Assurance Limited (PLAL) to Phoenix Life Limited (Phoenix).

At the same time, Standard Life Assurance Limited (SLAL) and Standard Life Pension Funds Limited (SLPF) are also planning to transfer all of their policies to Phoenix.

PLAL, SLAL, SLPF and Phoenix are all part of Phoenix Group, the UK's largest long-term savings and retirement business.

We're writing to you because you have a policy (or policies) with PLAL that we're planning to transfer.

Throughout this guide, you'll see that we refer to the proposed transfer as 'the Scheme' at times.

We've put this guide together to help you understand the Scheme and the process we're following, what it will mean for you and what you should do if you have any concerns.

Please take the time to carefully read this guide, and the information included. We do suggest you keep this information with your original policy documents.

HOW TO GET IN TOUCH

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

Please have your reference number ready to quote. You'll find this at the top of the accompanying letter.



Helpline (freephone): 0800 856 4488
From overseas: +44 (0) 1733 793287*
Monday to Friday, not including bank holidays: 8:30am – 5:30pm (UK time)
We may record and monitor calls.

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



www.phoenixlife.co.uk/transfer23



Phoenix Transfer Team
PO Box 79408
London
N17 1HQ

2 THE PROCESS WE'RE FOLLOWING

Our customers are important to us and we want to make sure your interests are protected. Before we transfer any policies to Phoenix, we're following a rigorous process which includes:

Consultation with our regulators

We've consulted with our regulators to ensure they are fully aware of our proposals and have no objections to our plans. Our regulators are the Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA).


Independent review of our proposals

We've appointed an Independent Expert, John Jenkins who is a Principal (a senior qualified actuary) at Milliman LLP, to give his opinion on the likely effect of the proposed transfer on all current Phoenix policyholders, and the policyholders transferring to Phoenix. His appointment has been approved by the PRA in consultation with the FCA.

He has written a report in which he details his review of the proposed transfer and his opinion on whether any group of policyholders is materially adversely affected by the proposed transfer.

His report has been reviewed by our regulators and will help the High Court of England and Wales (the High Court) to reach its decision.

In his report, he concludes that the proposed Scheme will not have a material adverse effect on the security of benefits of PLAL policyholders, the reasonable expectations of PLAL policyholders with respect to their benefits or the standards of administration, service, management and governance applicable to the policies of PLAL.

 You can find the Independent Expert's summary of the effect of the transfer on PLAL policyholders in section 6 of this guide and you can see the full report on our website at www.phoenixlife.co.uk/transfer23.

The Independent Expert will also produce a supplementary report before the High Court hearing, in which he'll consider the likely effect of the transfer on policyholders in light of any developments that may have happened since his initial report. This will be available on our website around two weeks before the High Court hearing.

Writing to our customers

We're writing to all our transferring customers to inform you of our proposals, explain what this means for you and how you can raise concerns or make an objection.

We've set up a dedicated helpline for you to contact if you have any questions or would like us to talk you through the information.

Approval from the courts

The High Court process

To carry out the transfer, we've applied for approval from the High Court. We're asking the High Court to approve this transfer, and to approve the replacement of a number of previous Phoenix and PLAL transfer schemes.

The High Court will need to be satisfied, having considered the views of the Independent Expert, that all the necessary legal requirements have been met and that the proposals have no material adverse effect on policyholders. The High Court will only approve the transfer if it is appropriate to do so.

The High Court hearing is expected to take place at the High Court of Justice of England and Wales, The Rolls Building, 7 Rolls Buildings, Fetter Lane, London EC4A 1NL, on 5 October 2023.

The Scottish Court of Session process

The policies of SLAL are covered by three previous transfer schemes which were approved by the Court of Session and allow for changes to be made to them with the Court's approval. To carry out the transfer, it is necessary to obtain the approval of the Court of Session to changes to three existing Schemes, listed below. We refer to these changes as the Proposed Replacements and Amendment.

- **The 2006 Scheme which transferred The Standard Life Assurance Company's business to SLAL and became effective on 10 July 2006. We propose to replace the 2006 Scheme with the Scheme described in this guide.**
- **The 2011 Scheme transferred the business of Standard Life Investment Funds Limited to SLAL and became effective on 31 December 2011. We propose to replace the 2011 Scheme with the Scheme described in this guide.**
- **The 2019 Scheme, which transferred SLAL's European business to Standard Life International DAC and became effective on 29 March 2019. The 2019 Scheme will continue after the proposed transfer of SLAL's business to Phoenix but with SLAL's role replaced by Phoenix.**


The Court of Session hearing is expected to take place at the Court of Session, Parliament House, Parliament Square, Edinburgh EH1 1RQ, on 3 October 2023.

The Jersey and Guernsey Court process

There will be additional Schemes and court hearings for transferring policies which are part of the business carried on in or from within Jersey (The Jersey Scheme), or that have been issued to customers resident in the Bailiwick of Guernsey (The Guernsey Scheme).

The hearing for the Jersey Scheme will take place at the Royal Court of Jersey at 9am on 17 October 2023 at the Royal Court of Jersey, Royal Court House, Royal Square, St Helier, Jersey JE1 1BA.

The hearing for the Guernsey Scheme will take place at the Royal Court of Guernsey at 9:30am on 20 October 2023 at the Royal Court of Guernsey, the Royal Court House, St Peter Port, Guernsey GY1 2NZ.

 You can find more information about your local court process in the letter we sent to you and on our website at www.phoenixlife.co.uk/transfer23.

If your policy transfers under the Jersey Scheme or the Guernsey Scheme, the content of this guide applies to you. If you believe your policy will transfer under the Jersey or Guernsey Scheme but haven't received a letter with the additional details, please get in touch.

 You can find our contact details in sections 1 and 8 of this guide.

Other overseas jurisdictions

If you are resident in the Isle of Man, or you live overseas, the terms of the Scheme apply to you if it is approved by the High Court.

Court dates

The date of any of the court hearings could change. If they do, we'll place a notice on our websites.

Transfer goes ahead

The transfer will only go ahead if the High Court approves this Scheme and the Court of Session gives its approval to the changes to the existing SLAL Schemes.

If both Courts give their approval, we expect the transfer to take place on 27 October 2023.

The transfer of the business under the Jersey Scheme and the Guernsey Scheme will only go ahead if the Royal Courts of Jersey and Guernsey approve the relevant Schemes.

THE PROCESS WE'RE FOLLOWING

WHAT'S HAPPENED SO FAR



We consulted with the FCA and the PRA to ensure they have no objections to our proposals.



We appointed an Independent Expert to review our proposals. He concluded that there is no material adverse impact on policyholders.

WE ARE HERE



We're writing to impacted customers to let them know about our proposals, the process we're following and how they can raise concerns.



Our helpline will answer questions and help to resolve any concerns you have. Concerns we aren't able to resolve and objections will be submitted to the High Court of consideration.

WHAT HAPPENS NEXT



The Independent Expert completes a final review and supplementary report confirming he still considers there to be no material adverse impact on policyholders



To carry out the transfer we need approval from:

- High Court of England and Wales on 5 October 2023
- Court of Session, Edinburgh on 3 October 2023.



If both High Courts give their approval your policy will transfer on 27 October 2023.

3 WHAT THIS MEANS FOR YOU

Your policy

If the Scheme goes ahead, your policy will transfer to Phoenix. You'll then become a policyholder of Phoenix, and Phoenix will be responsible for your policy.

There will be no changes to the way we administer your policy as a result of the transfer and you'll continue to see the Phoenix Life logo on any letters you receive. You'll continue to speak to the same team of people on the same telephone number as you do now. You'll continue to access policy information online in the same way as you do currently.

You'll see no difference in the day to day operation of your policy.

Your policy number and your policy terms and conditions won't change as a result of the Scheme.

There will be no change to the current value of your benefits, or to any guarantees you may have on your policy, as a result of the Scheme.

Any payments you receive or premiums you may pay won't be affected by the Scheme.

If you have a pension policy that has a guarantee, such as a guaranteed annuity rate at retirement, this will continue and will not change as a result of the Scheme. Phoenix will inform you of your options and offer you an annuity in the same way that PLAL would have done.

Security for your policy

Financial security for your policy will be maintained by Phoenix. Like PLAL, Phoenix will hold more capital than the minimum amount required under current regulations. The amount of additional capital held will be underpinned by the Phoenix capital policy, which is part of the Scheme and aims to ensure that policies remain protected even under difficult financial conditions. The capital policy in the Scheme will include additional customer protections so that, in certain circumstances, Phoenix may be required to hold more capital than would be held under the current PLAL capital policy.

Phoenix will be a much bigger company than PLAL and will issue new policies under a number of different brands. In determining the amount of additional capital to hold, the Phoenix capital policy will take into account the size of the company, the mixture of risks and the expected amount of new business to be issued. This will ensure that financial security for all policies is maintained.

The Board

The PLAL Board currently manages PLAL's business and looks after its customers' interests. After the transfer, the Phoenix Board will take on this role.

As membership of the PLAL and Phoenix Boards is the same, after the transfer your interests will continue to be looked after by the same Board members in the same way as before.

Annuities in payment

If you have an annuity which provides you with a regular income, Phoenix will make these payments in the same way as PLAL does currently and from 27 October 2023 you'll see your payments coming from Phoenix.

The amount you receive, the dates of your payments and any guarantees you have will not be affected by the transfer.

With-profits policies

There will be no change to the value of your current benefits or the way future bonuses are calculated and applied to your policy as a result of the transfer. If you have any guarantees on your policy, these will not be affected by the transfer. The way your with-profits fund is invested will not change as a result of the transfer.


If you have a with-profits policy, this policy will transfer to a corresponding new with-profits fund that will be set up in Phoenix, which will be equivalent to the fund your policy is currently in. With-profits funds will continue to receive the same support from Phoenix as they currently do from PLAL.

The Principles and Practices of Financial Management (PPFM)

Currently, your with-profits fund is managed in line with the PLAL PPFM. The PPFM describes in detail how with-profits funds are managed and how bonuses are determined. There is a separate section in the PPFM for each PLAL with-profits fund. Following the transfer, these sections will be included in the Phoenix PPFM.

There will also be some further updates to the Phoenix PPFM as a result of the transfer. You can find a summary of these changes in section 5 of this guide. If you have a with-profits policy, you'll also see more detail on these updates in the 'With-Profits Changes Explained' leaflet we've sent to you.

The updated Phoenix PPFM will apply from the transfer date.

 You can find a copy of the draft updated PPFM on our website at www.phoenixlife.co.uk/transfer23.

Unit-linked policies

If you are invested in a unit-linked fund, new unit-linked funds will be created in Phoenix corresponding to those your policy can invest in now. These new funds will have the same assets, charges and will be priced on the same basis as the current PLAL funds. The transfer will not change the number of units allocated to your policy, or the value of those units. Your policy will continue to be invested in the same way and by the same investment manager as now.

Currently, PLAL has the right to wind up a unit-linked fund if its value falls below a threshold level. Following the transfer, the wind up threshold will be removed. Phoenix will then have the right to wind up a fund or close it to new investment, provided policy terms and conditions don't prevent this and the change is made on terms the Board considers are fair to policyholders.

If a fund is wound up or closed to new investment, an alternative fund will be made available. You'll have the right to choose a different fund if you prefer, and switch investment free of charge.

Your payments

The amount of your premiums and payments will not change as a result of the transfer, but you'll see some small changes in the company name relating to your payments.

Payments you receive

Any payments you currently receive from PLAL will instead come from Phoenix. There will be no change to the amount you receive, or the date you receive any payments, as a result of the transfer.

Payments you make by cheque

If you make payments by cheque, you'll need to make them payable to Phoenix Life Limited after the transfer.

Payments you make by standing order, Giro or bank transfer

If you make payments by standing order, Giro or bank transfer, you should update the payee name to Phoenix Life Limited when your policy transfers. Changes to the bank account receiving your payments, such as sort code and account number, will be made automatically so that payments become payable to Phoenix without you having to make these changes.

Payments you make by Direct Debit

If you make payments by Direct Debit, these will automatically become payable to Phoenix without you having to do anything. Your rights under the Direct Debit Guarantee below are not affected.

THE DIRECT DEBIT GUARANTEE



- **This Guarantee is offered by all banks and building societies that accept instructions to pay Direct Debits.**
- **If there are any changes to the amount, date or frequency of your Direct Debit, Phoenix Life Limited will notify you 10 working days in advance of your account being debited or as otherwise agreed. If you request Phoenix Life Limited to collect a payment, confirmation of the amount and date will be given to you at the time of the request.**
- **If an error is made in the payment of your Direct Debit, by Phoenix Life Limited or your bank or building society, you are entitled to a full and immediate refund of the amount paid from your bank or building society. If you receive a refund you are not entitled to, you must pay it back when Phoenix Life Limited asks you to.**
- **You can cancel a Direct Debit at any time by simply contacting your bank or building society. Written confirmation may be required. Please also notify us.**

Pension schemes

Where PLAL is the trustee or administrator of a pension scheme, Phoenix will become the scheme trustee or administrator in place of PLAL.

ISAs

Where PLAL is the registered ISA manager, Phoenix will become the ISA manager in place of PLAL.

4 WHAT YOU SHOULD DO NEXT

Please take the time to carefully read this guide, and the other documents we've sent to you, to make sure you fully understand our proposals.

We suggest you keep this information with your original policy documents.


It's important that you let anyone else with an interest in your policy know about the Scheme. This might include a nominated beneficiary, a trustee in bankruptcy, an executor, a personal representative, or an assignee.

Need help?

The enclosed 'Your Questions Answered' booklet will help to answer any questions you may have. More detail about our proposals, including the Independent Expert's full report and the full Scheme document, are available on our website at www.phoenixlife.co.uk/transfer23.

Get in touch

If you have any questions, are concerned about how the proposed transfer may affect your policy, or would like us to talk you through our proposals, please get in touch.

 You'll find our contact details in sections 1 and 8 of this guide.

If you're a trustee

If you're a trustee of a PLAL policy or pension scheme, please make sure that all beneficiaries or scheme members know about the proposed transfer and are aware that full details are available on our website, or may be obtained by calling our helpline. If you'd like any assistance, please let us know by contacting our helpline. You'll find our contact details in sections 1 and 8 of this guide.


HOW TO OBJECT

If you have concerns about the proposed transfer and feel you may be adversely affected, you have the right to raise an objection. Your objection will be presented to the High Court, and the High Court will take all objections into consideration when reaching its decision.

You can raise your concerns or object to the Scheme in the following ways.

1. By calling our helpline, writing to us or completing the online form

Please let us know if you have any concerns about the Scheme. If we can't address your concerns and you'd like to raise an objection, we'll make the High Court, the Independent Expert and our regulators aware of your objection before the hearing.

 You can find our contact details in sections 1 and 8 of this guide.

Please raise any concerns or objections with us as soon as possible and preferably before 8 September 2023.

2. By attending the High Court hearing and presenting your objection in person

If you'd like to, you can attend the High Court hearing or you can ask a representative to do this for you. Your representative does not need legal training and could be a friend or relative, but they will need the permission of the Court to speak on your behalf.

If you or a representative wish to present your objection at the hearing, please let us know so we can contact you if there are any changes to the date of the hearing. We may also be able to deal directly with any concerns you have.

In deciding whether to give its approval, the Court of Session might take into account any objections to this Scheme. So we may also share your objection with the Court of Session if required.

If your policy transfers under the Jersey Scheme or the Guernsey Scheme you can also raise an objection to the Royal Court of Jersey or Royal Court of Guernsey. You can find details of how to object in the letter we sent to you and on our website at www.phoenixlife.co.uk/transfer23.

5 SUMMARY OF THE SCHEME

The Scheme brings together, and in certain places amends, the provisions in the existing schemes which apply to the companies. This has been done to simplify operation of the Scheme and reflect recent developments, for example in relation to law and regulation.

In this section, we summarise the key changes. You'll find the full Scheme document, which contains detailed technical information, on our website at www.phoenixlife.co.uk/transfer23. You can request a copy by calling our helpline.

 You'll find our contact details in sections 1 and 8 of this guide.

The summary of the Scheme also applies to the Jersey Scheme and the Guernsey Scheme, except that these schemes do not affect SLPF and the relevant courts are the Royal Court of Jersey and the Royal Court of Guernsey, rather than the High Court.

Transfer of business

On the transfer date, which is expected to be 27 October 2023, subject to the approval of the High Court, and the approval of the Court of Session to change the existing SLAL Schemes, the three transferring companies (PLAL, SLAL and SLPF) will transfer all their policies and business to Phoenix. This means that Phoenix will become the insurer and will be responsible for the transferring policies.

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

For accounting and financial reporting purposes, the Scheme will be treated as effective between Phoenix and the transferring companies from 30 September 2023. However, this will not affect policyholders or their rights against the transferring companies.

Allocation of policies

Policies in PLAL and SLAL with-profits funds will transfer to corresponding new with-profits funds to be established in Phoenix. All other SLAL and PLAL policies will transfer to the Phoenix Non-Profit Fund.

The policies of SLPF are currently reinsured to the Heritage With-Profits Fund and Proprietary Business Fund in SLAL. These policies will transfer to the new Heritage With-Profits Fund in Phoenix and the Phoenix Non-Profit Fund respectively. The assets of SLPF will be allocated to the new Phoenix Heritage With-Profits Fund, other than the rights, benefits and powers of SLPF relating to the policies reinsured to the SLAL Proprietary Business Fund, which will be allocated to the Phoenix Non-Profit Fund.

No business will transfer into the existing Phoenix with-profits funds, and no Phoenix policies will transfer under the Scheme.

Excluded 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 Phoenix and the relevant transferring company until it is possible to transfer these policies.

This means that the relevant transferring company will continue to be responsible for collecting premiums from, and paying benefits to, the policyholders of the excluded policies, but will pass these premiums to, and claim these benefit payments from, Phoenix.

Reinsurance

Under the Scheme, Phoenix will become party to all external third party reinsurance arrangements that the transferring companies are currently party to, and these will continue to operate in the same way as they did before the transfer, with Phoenix replacing the relevant transferring company.

Where there are reinsurance agreements between Phoenix and PLAL, or between SLAL and SLPF, on the date of the transfer these agreements will either stop where they are not needed, or will be replaced by inter-fund agreements between the funds of Phoenix, to achieve the same financial effect.

Similarly, where there are arrangements between funds in the transferring companies or Phoenix, the Scheme provides for those arrangements to be replicated between the equivalent successor funds in Phoenix.

Capital policy

The Scheme will set out a capital policy which acts as an underpin to the amount of capital Phoenix will hold over that required by regulation. The capital policy will include three tests: a capital quantity test (relating to the amount of capital held to provide security), a capital quality test (relating to the amount of assets available to meet short-term outgoings) and a capital event test (relating to the protection of with-profits funds) sometimes called a 'capital event business requirement'. Phoenix must hold enough additional capital to satisfy all of the tests.

The capital policies set out in the current Phoenix and PLAL schemes contain a capital test which has a similar purpose to the capital quantity test, but the capital quality test and capital event test are additional policyholder protections.

The capital requirements set out in the current SLAL schemes are similar to the capital event test, but the capital quantity test and capital quality test are additional policyholder protections. However in practice SLAL already calculates its additional capital holdings using all three tests.

With-profits funds

With-profits fund closure requirements

For existing Phoenix with-profit funds and the with-profit funds corresponding to those in PLAL, the Scheme will update the basis upon which the closure threshold is calculated to refer to the equivalent Solvency II regulation definitions. The closure thresholds will be index-linked and will trigger consideration of closure rather than triggering a requirement to close. Where a fund does close, the Scheme will require with-profits policies to be treated in a way which is fair and in the best interest of policyholders by allowing Phoenix to carry out one or more of the following:

- **transfer the policies to another Phoenix with-profits fund, where those policies will be able to participate in profits in that fund; and/or**
- **convert the with-profits benefits to unit-linked benefits in the Phoenix unit-linked funds; and/or**
- **convert the policy so that bonuses are fixed and guaranteed.**

Policies whose with-profits benefits are allocated to the NPI With-Profits Fund

The Scheme will allocate the with-profits benefits of those policies in the Phoenix Non-Profit Fund, whose with-profits benefits are currently in the NPI With-Profits Fund, to the Pearl With-Profits Fund set up in Phoenix. The NPI With-Profits Fund will be closed. There will be no change to the way these policies are operated.

New business written in with-profits funds

Although there will be no change to the types of new business that can be written in the with-profits funds, the Scheme will align the description of the types of new business permitted to be written in the with-profits funds where it is possible to do so.

With-profits fund certification

The annual certificates to be provided by the Phoenix Board, confirming whether the SPI With-Profits Fund has been operated in line with the terms of the Phoenix 2009 Scheme, by the PLAL Board, confirming whether the provisions of the PLAL 2015 Scheme in relation to the NPL With-Profits Fund have been complied with, and by the SLAL Board in relation to the Heritage With Profits Fund confirming that the provisions of the 2006 Demutualisation Scheme have been complied with, are not included in the Scheme.

The checks required to provide the certificates will continue to be carried out alongside the annual PPFM compliance exercises required by the FCA.

Re-allocation of certain policies

The Scheme allows Phoenix to reallocate non-profit policies in Phoenix's with-profits funds to the Phoenix Non-Profit Fund, subject to certain policyholder protections. Phoenix and PLAL currently have this right, which will continue to apply in Phoenix in the same way after the transfer date as it does now.

Operation of the Heritage With-Profits Fund transferring from SLAL

The Scheme will clarify the calculation for determining the mid-year cash flows from the Heritage With-Profits Fund and will allow Phoenix to carry out unit-matching on its unit-linked funds.

With-profits fund support arrangements

The shareholder support arrangements for the Phoenix and PLAL with-profits funds, and the SLAL Heritage With-Profits Fund and German With-Profits Fund, will continue to apply in the same way in Phoenix after the transfer date as they do now.

With-Profits Committee Terms of Reference

The updated Terms of Reference will combine and align the current terms of the Phoenix, PLAL, and SLAL With-Profits Committees. The Scheme will amend the requirement to refer changes to the Terms of Reference to the regulators so that not all changes will need the regulators' approval. Any material changes will still require certification by the Phoenix Chief Actuary and With-Profits Actuaries that the proposed change does not have an adverse effect on the reasonable expectations of policyholders affected by the change.

Unit-linked funds

With the exception of the unit-linked funds of external providers, the Scheme provides for Phoenix (subject to certain policyholder protections) to allow the division, merger or closure of unit-linked funds, the closure to new or further investment and the modification of their investment objectives to permit investment in reasonably similar assets. If a fund is closed, policyholders will be given units of the same value in a substitute fund having similar investment exposure where possible. However, these changes are not permitted if they are prohibited by the policy terms and conditions.

If any of these changes are made, the Board must consider the change is made on terms that are fair to policyholders taking into account the interests of policyholders, and policyholders will be able to switch investment free of charge.

Policies with options for a new or replacement policy

Policy options or other rights which allow a new, additional or replacement policy to be taken out will continue to apply after the transfer. If Phoenix is not issuing these exact policies, Phoenix may (subject to satisfying certain requirements) offer the nearest equivalent policy that Phoenix is then providing.

Data protection

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

Costs

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

Replacement of existing schemes and continuation of the SLAL 2019 Scheme

The Scheme will replace a number of existing schemes covering Phoenix, SLAL, PLAL and SLPF. Certain other schemes will continue, including the SLAL 2019 Scheme which will be amended to reflect that Phoenix has replaced SLAL. The replacement of the Phoenix and PLAL schemes is subject to the approval of the High Court. The replacement of the SLAL Schemes and the continuation of the SLAL 2019 Scheme are subject to the approval of the Court of Session.

Amendments to the Scheme

Phoenix and the transferring companies are allowed to make amendments or additions to the Scheme 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, stating that in their opinion, the proposed amendments will not materially adversely affect the security or reasonable expectations of policyholders.

The process described above does not have to be followed if only minor or technical amendments are being made or if the Scheme specifically permits an amendment without going through this process.

6 SUMMARY OF THE INDEPENDENT EXPERT'S REPORT

The Independent Expert, John Jenkins who is a Principal (a senior qualified actuary) at Milliman LLP, has produced an independent report, in which he details his review of the proposed transfer and his opinion on whether any group of policyholders is materially adversely affected by the proposed transfer.


The Independent Expert has been selected on the basis of his experience and independence. As part of the process to appoint the Independent Expert we considered whether he held any policies with, or had previously done any work for, the companies involved in the transfer.

The Independent Expert holds two unit-linked pension policies provided by SLAL. Should the transfer proceed, these policies will be treated in exactly the same way as all other policies of the same type and will have the same value after the transfer as before.

The Independent Expert has not carried out any work for the companies involved in the transfer during the last seven years.

We are confident that the Independent Expert's policies and previous work will not affect his judgement or his ability to act independently when considering the transfer proposals. His appointment has been approved by the PRA in consultation with the FCA.

In this section you can read the summary of his report.

 You can see the full report on our website at www.phoenixlife.co.uk/transfer23 and you can request a copy by calling our helpline.

This summary applies equally to the Jersey Scheme and the Guernsey Scheme.

Summary of the Independent Expert's Report

Introduction

As set out in this guide, Phoenix Group proposes to carry out an insurance business transfer in order to combine four of its life insurance companies into one company (the one referred to as Phoenix) in order to simplify its corporate structure. This requires the approval or consent of the High Court (in England) and the Court of Session (in Scotland). I have been appointed by Phoenix Group as the Independent Expert under the relevant legislation to consider and report to the courts on this proposed transfer, and I have been approved to carry out this role by the PRA in consultation with the FCA.

I am a Fellow of the Institute and Faculty of Actuaries, and a Principal in Milliman LLP, part of Milliman Inc., which is a global consulting firm. I have over 35 years of experience in the UK life insurance industry and I have previously carried out the role of Independent Expert for transfers of life insurance business, including those involving with-profits business. My independence to carry out this role for this transfer has been set out separately within this guide.

I have produced a full and detailed report (my "Full Report"), which considers the effects of the transfer on all of the policyholders in all four companies and which sets out my conclusions, and includes my reliances and limitations in producing the report. My Full Report is available to all policyholders and to any interested party who wishes to see it, and can be viewed at www.phoenixlife.co.uk/transfer23. Alternatively, my Full Report can be obtained as set out within Section 8 of this guide.

I have produced a number of summary reports, each tailored to specific groups of policyholders. This tailored summary report is for the policyholders of PLAL, other than those holding only an annuity in payment policy, for whom a separate summary report has been produced.

The Chief Actuary and the relevant With-Profits Actuaries for both PLAL and Phoenix have produced reports on the proposed transfer. I have considered those reports, and I have consulted with the Chief Actuary and the relevant With-Profits Actuaries in the course of carrying out my work.

Set out below is a summary of my considerations and conclusions under the following headings:

- **Summary of the Scheme.**
- **Determination of policy benefits and benefit expectations.**
- **Security of policy benefits.**
- **Other aspects, including standards of policy administration and service.**

I will produce a Supplementary Report prior to the final court hearings. My Supplementary Report will provide updates as necessary to my analyses and considerations, and will comment on any queries, issues or objections arising from any of the policyholders involved or from other interested parties. My Supplementary Report will also provide any applicable updates to the conclusions reached in my Full Report.

Summary of the Scheme

The Scheme is the legal document which gives effect to the transfer. It essentially provides for all the assets, liabilities and policies of PLAL (and two other Phoenix Group companies) to be transferred to Phoenix. Each of the current with-profits funds within PLAL, including how they operate, will be replicated within Phoenix.

The Scheme replaces a number of previous schemes and also incorporates a number of practical updates to the previous schemes to which I refer as necessary below. The Scheme makes no change to any policy terms and conditions. All of the costs of carrying out the Scheme will be borne by the Phoenix Group shareholders, and no such costs will be borne either directly or indirectly by any policyholders.

Determination of policy benefits and benefit expectations

For policyholders holding with-profits policies of all types, the determination of policy benefits will continue as currently. The relevant with-profits funds will be transferred from PLAL into new and equivalent with-profits funds within Phoenix, and these new funds will be separately maintained and operated in all material respects as the existing funds are maintained and operated. This includes the determination of the mix of assets within the with-profits funds, which affects policyholder benefits.

The published Principles and Practices of Financial Management document (known as the PPFM) that governs the operation of the PLAL with-profits funds will be combined into a single PPFM document with the PPFM of the Phoenix with-profits funds, but with separate sections for each fund. Other than the closure provisions as explained below, the PPFM as it applies to the PLAL with-profits funds will fundamentally remain unchanged in all material respects. References within the PPFM to previous schemes will be updated to refer instead to the current Scheme.

The Scheme includes changes to the closure provisions for each of the existing Phoenix with-profits funds, and these changes will also apply to each of the PLAL with-profits funds which will transfer to Phoenix under the Scheme. These closure provisions (often referred to as sunset clauses) set out what happens when a with-profits fund has reduced to a certain size. The main changes are to move from the existing "must close" provisions when a with-profits fund reaches a certain size to "may close" provisions. This change may allow a with-profits fund to continue as with-profits for longer provided that this is in the interests of the with-profits policyholders in that fund. The changes also allow for greater flexibility on the available options when a with-profits fund is closed. I am satisfied that appropriate protections have been included and that these changes are beneficial to the PLAL with-profits policyholders.

For policyholders holding unit-linked policies, the determination of policy benefits will continue as currently, including the approaches and standards used for the determination of unit prices. The relevant unit-linked funds will be transferred from PLAL to new and equivalent unit-linked funds within Phoenix and managed as currently. The Scheme includes updated provisions for unit-linked funds to be closed to new investments, merged with or replaced by other unit-linked funds, and for unit-linked investment objectives to be modified, where this is not inconsistent with the relevant policy terms. This will enable Phoenix to continue to manage the enlarged unit-linked business to best meet policyholder needs efficiently as unit-linked funds grow or decline. The Scheme includes appropriate protections to ensure that the terms of any unit-linked fund mergers or replacements or modifications to investment objectives are fair to policyholders.

For both with-profits and unit-linked policies, the determination and application of charges and expenses to the funds and policies will be the same as currently. Given that PLAL and Phoenix already have common management approaches and governance structures, I can see no reason why the future consideration of charges and expenses within Phoenix would be materially different to that within PLAL.

For policyholders holding policies with fixed benefits (or benefits linked to an inflation index), including annuity in payment policies, there will be no change to such benefits.

Hence, for all PLAL policyholders, I conclude that the Scheme will have no material adverse effect on the determination of policyholder benefits or on expectations in respect of policyholder benefits.

Security of policy benefits

The security of policy benefits is provided through the following:

- **The reserves and capital which the PRA requires all life companies to hold to meet expected outcomes and to cover adverse circumstances and events in relation to the risks to which the company is exposed.**
- **The additional capital, over and above the PRA's requirements, which a particular life company elects to hold. This is often referred to as the capital buffer or the capital policy requirement.**
- **The governance processes which a life company uses to run its business and to manage the risks to which it is exposed.**

I consider each of these aspects below.

Regulatory capital requirements

The normal UK regulatory capital requirements will apply to the enlarged Phoenix following the implementation of the Scheme. These regulatory capital requirements are intended to ensure that a life company can withstand adverse circumstances and events equivalent to a 1-in-200 year event. There will be material capital efficiency benefits arising from combining the four life companies into one, and I have thus reviewed this aspect carefully.

Capital policy

Currently both PLAL and Phoenix adopt essentially the same capital policy. In particular, a capital buffer is held sufficient to enable PLAL and Phoenix to meet their regulatory capital requirements (including the 1-in-200 year event requirement) following a 1-in-10 year adverse event. This same level of capital buffer (i.e. ability to meet regulatory capital requirements following a 1-in-10 year adverse event) will apply to the enlarged Phoenix following the implementation of the Scheme. Phoenix is required by the Scheme to adopt and comply with this capital policy, including the 1-in-10 year level of capital buffer and other aspects contained within the Scheme. My Full Report contains analyses which show that the enlarged Phoenix would have been able as at 31 December 2022 to meet its capital policy had the Scheme been effective at that date.

As set out in this guide, the Scheme will also transfer SLAL into Phoenix. SLAL policyholders currently benefit from certain additional capital protections, which derive from the demutualisation of Standard Life in 2006. These additional capital protections are incorporated into the Phoenix capital policy within the Scheme, and will benefit all policyholders (including PLAL policyholders) in the enlarged Phoenix following the implementation of the Scheme.

The current provisions for the shareholder to provide capital support to the PLAL with-profits funds in certain circumstances are maintained under the Scheme. This applies both to the current capital support being provided for three of the PLAL with-profits funds, and to any future capital support required by any of the PLAL with-profits funds.

Governance processes

The governance processes used to consider, manage, and limit risk are already harmonised in all material respects as between PLAL and Phoenix. There will thus be no material change in these aspects as a result of the Scheme.

Summary in relation to the security of policy benefits

Taking all of the above aspects into consideration, I conclude that for all PLAL policyholders the Scheme will have no material adverse effect on their security of benefits.

Other aspects (including standards of policy administration and service)

In addition to the key aspects of policy benefits and the security of policy benefits, I have considered a number of further aspects, including the possible effects of the Scheme on standards of policy administration and service, the ability of PLAL to implement the transfer in practical terms and to deal with queries arising from policyholders, and the availability of protections such as the UK Financial Services Compensation Scheme. I am satisfied that the Scheme will have no material adverse effect on policyholders in these areas.

Overall Conclusion

Taking all of the above considerations into account, I conclude that the Scheme will have no material adverse effects on any of the PLAL policyholders.

My other summary reports contain this same conclusion in respect of the other groups of policyholders to whom each summary report is applicable.

I have provided all the relevant Independent Expert certificates to allow the Scheme to replace the previous schemes.

John A Jenkins

Fellow of the Institute and Faculty of Actuaries
Principal and Consulting Actuary, Milliman LLP
April 2023

7 LEGAL NOTICE

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY
COURTS OF ENGLAND AND WALES
COMPANIES LIST (ChD)

CR-2022-000458

IN THE MATTER OF
PHOENIX LIFE ASSURANCE LIMITED
and
IN THE MATTER OF
STANDARD LIFE ASSURANCE LIMITED
and
IN THE MATTER OF
STANDARD LIFE PENSION FUNDS LIMITED
and
IN THE MATTER OF
PHOENIX LIFE LIMITED
and
IN THE MATTER OF
THE FINANCIAL SERVICES AND MARKETS ACT 2000

NOTICE

NOTICE IS HEREBY GIVEN that, on 26 April 2023, Phoenix Life Assurance Limited (“**PLAL**”), Standard Life Assurance Limited (“**SLAL**”) and Standard Life Pension Funds Limited (“**SLPF**”) and together with PLAL and SLAL, the “**Transferors**”) and Phoenix Life Limited (“**Phoenix**”) made an application (the “**Application**”) to the High Court of Justice, Business and Property Courts of England and Wales, Insolvency and Companies Court in London (the “**High Court**”) pursuant to section 107(1) of the Financial Services and Markets Act 2000 (as amended) (“**FSMA**”) for an order (the “**Order**”) under section 111 of FSMA sanctioning an insurance business transfer scheme for the transfer to Phoenix of the insurance business written by the Transferors and related assets and liabilities (the “**Transferring Business**”) in accordance with the Order and without any further act or instrument (the “**Scheme**”).

Previous company names and brands associated with policies in PLAL and Phoenix are as follows:

PLAL: London Life, NPI, National Provident Institution, National Provident Life, Pearl and Pearl Assurance; and
Phoenix: Abbey Life, Ambassador Life, Britannic Assurance, Hill Samuel and SunLife.

Details of the companies and brands which are associated with policies now in PLAL and Phoenix are available at <https://www.phoenixlife.co.uk/about-phoenix-life/our-history>.

In relation to SLAL, the only brand associated with the majority of policies in SLAL is the Standard Life brand.

The following documents are available free of charge by contacting the Transferors or Phoenix using the contact details at the end of this notice:

- a copy of a report on the terms of the Scheme prepared in accordance with section 109 of FSMA (the “**IE Report**”), by the Independent Expert, John Jenkins whose appointment has been approved by the Prudential Regulation Authority, in consultation with the Financial Conduct Authority;
- a copy of the Scheme;
- copies of the reports prepared by the Chief Actuaries of Phoenix, PLAL, SLAL and SLPF;
- copies of the reports prepared by the With-Profits Actuaries of Phoenix, PLAL and SLAL; and
- a copy of the communications that will be mailed to the transferring policyholders (which includes a summary of the terms of the Scheme and a summary of the IE Report).

The above documents can also be downloaded from the Transferors’ and Phoenix’s respective websites:

- in relation to Phoenix and PLAL policies: www.phoenixlife.co.uk/transfer23; and
- in relation to SLAL and SLPF policies: www.standardlife.co.uk/businesstransfer.

Supporting documents and any further news about the Scheme will be posted on the websites indicated above.

The Application is due to be heard on 5 and 6 October 2023 by a Judge of the Chancery Division of the High Court at the Rolls Building, Fetter Lane, London EC4A 1NL. If these dates change, a notice will be placed on the Transferors’ and Phoenix’s websites.

Phoenix will also make applications under section 112(1)(d) of FSMA for orders of the High Court:

- approving a proposed amendment and abrogation of an insurance business transfer scheme between Scottish Mutual Assurance Limited and Scottish Provident Limited as transferors and Phoenix as transferee under Part VII and Schedule 12 of FSMA, which was sanctioned by the High Court on 3 February 2009 and became effective on 1 January 2009;
- approving a proposed amendment and abrogation of an insurance business transfer scheme between Phoenix & London Assurance Limited as transferor and Phoenix as transferee under Part VII and Schedule 12 of FSMA, which was sanctioned by the High Court on 11 Feb 2011 and became effective on 1 January 2011;
- approving a proposed amendment and abrogation of an insurance business transfer scheme between National Provident Life Limited and NPI Limited as transferors and Phoenix as transferee under Part VII and Schedule 12 of FSMA, which was sanctioned by the High Court on 28 March 2012 and became effective on 1 January 2012;
- approving a proposed amendment and abrogation of an insurance business transfer scheme between AXA Wealth Limited as transferor and Phoenix as transferee under Part VII and Schedule 12 of FSMA, which was sanctioned by the High Court on 21 November 2017 and became effective on 30 September 2017, and
- approving a proposed amendment and abrogation of an insurance business transfer scheme between Abbey Life Assurance Company Limited as transferor and Phoenix as transferee under Part VII and Schedule 12 of FSMA, which was sanctioned by the High Court on 19 December 2018 and became effective on 31 December 2018.

PLAL will also make applications under section 112(1)(d) of FSMA for orders of the High Court:

- approving a proposed amendment and abrogation of an insurance business transfer scheme between London Life Limited as transferor and PLAL as transferee under Part VII and Schedule 12 of FSMA, which was sanctioned by the High Court on 24 September 2012 and became effective on 1 July 2012; and

- approving a proposed amendment and abrogation of an insurance business transfer scheme between National Provident Life Limited as transferor and PLAL as transferee under Part VII and Schedule 12 of FSMA, which was sanctioned by the High Court on 1 May 2015 and became effective on 1 January 2015.

SLAL will also make applications under section 112(1)(d) of FSMA for orders of the Court of Session in Edinburgh (the “**Court of Session**”):

- consenting to a proposed variation to, and releasing SLAL from its obligations under, an insurance business transfer scheme between The Standard Life Assurance Company as transferor and SLAL as transferee under Part VII and Schedule 12 of FSMA, which was sanctioned by the Court of Session on 9 June 2006 and became effective on 10 July 2006; and
- consenting to a proposed variation to, and releasing SLAL from its obligations under, an insurance business transfer scheme between Standard Life Investment Funds Limited as transferor and SLAL as transferee under Part VII and Schedule 12 of FSMA, which was sanctioned by the Court of Session on 20 December 2011 and became effective on 31 December 2011,

(together, the “**SLAL Consents**”).

SLAL and Standard Life International Designated Activity Company will also make an application under section 112(1)(d) of FSMA for an order of the Court of Session approving a proposed variation to an insurance business transfer scheme between SLAL as transferor and Standard Life International DAC as transferee under Part VII and Schedule 12 of FSMA, which was sanctioned by the Court of Session on 19 March 2019 and became effective on 29 March 2019 (the “**SLAL/SL Intl Approval**” and, together with the SLAL Consents, the “**Court of Session Consent**”).

Both the approval of the High Court and the Court of Session Consent are needed before the proposed transfer proceeds.

If the High Court approves the proposals and the Court of Session Consent is obtained, the Scheme will become operative at 23.59 on 27 October 2023. If this date changes, a notice will be placed on the Transferors’ and Phoenix’s websites.

Any person who considers that they may be adversely affected by the carrying out of the transfer under the Scheme has a right to attend the hearing and express their views either in person or by nominating a representative. To the extent any such representative is not a barrister or solicitor advocate, the permission of the High Court will be required for them to speak on your behalf.

Any person who considers that they may be adversely affected by the Scheme but does not intend to attend the hearing may make representations about the Scheme by (a) telephone, (b) via an online form which can be found via the website detailed above, or (c) in writing to the Transferors at the addresses set out below or (d) in writing to the solicitors named below, using the contact details set out below.

Any person who intends to appear at the hearing or make representations by telephone or in writing is requested (but is not obliged) to notify his or her objections as soon as possible and preferably by 8 September 2023 to the Transferors or to the solicitors named below using the contact details set out below.

All objections relating to the Scheme will be shared with the High Court of England and Wales.

If the Scheme is sanctioned by the High Court and the Court of Session Consent is obtained, it will result in the transfer to Phoenix of all the contracts, property, assets, and liabilities relating to the Transferring Business (in accordance with the Scheme); notwithstanding that a person would otherwise be entitled to terminate, modify, acquire, or claim an interest or right or to treat an interest or right as terminated or modified in respect thereof. Any such right will only be enforceable to the extent reflected in the Order of the High Court.

If you have recently moved or changed your contact details: please contact the Transferors using the contact details below in order to update your records and, if your policy is part of the Transferring Business, to receive information regarding the transfer.

Transferor and Phoenix contact information:

Phoenix and PLAL

Helpline number: 0800 856 4488
Helpline number (from overseas): +44 (0)1733 793287*
Postal address:
Phoenix Transfer Team
PO Box 79408
LONDON
N17 1HQ

*The Phoenix and PLAL helplines will be open from 8.30 a.m. to 5.30 p.m. (UK time), Monday to Friday (excluding UK bank holidays).

Standard Life (SLAL and SLPF)

Helpline number: 0808 196 6804
Helpline number (from overseas): +44 (0) 1234 298 298*
Postal address:
Standard Life Transfer Team
PO Box 79408
LONDON
N17 1HQ

*The Standard Life helplines will be open from 9 a.m. to 5 p.m. (UK time), Monday to Friday (excluding UK bank holidays).

Solicitors for the Transferors and Phoenix

Linklaters LLP

Postal address: One Silk Street, London, EC2Y 8HQ
Please quote reference number L-296640 on any correspondence to Linklaters LLP.

8 HOW TO GET IN TOUCH

HOW TO GET IN TOUCH

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

Please have your reference number ready to quote. You'll find this at the top of the accompanying letter.



Helpline (freephone): 0800 856 4488
From overseas: +44 (0) 1733 793287*
Monday to Friday, not including bank holidays: 8:30am – 5:30pm (UK time)
We may record and monitor calls.

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



www.phoenixlife.co.uk/transfer23



Phoenix Transfer Team
PO Box 79408
London
N17 1HQ

If you would like this information in large print, braille or audio please call us on 0800 856 4488.

Phoenix Life Assurance Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Phoenix Life Assurance Limited is registered in England No. 1419 and has its registered office at: 1 Wythall Green Way, Wythall, Birmingham, B47 6WG.

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