

Transfer guide

Proposed transfer of business
to Phoenix Life Limited

May 2023



Some helpful definitions

There are a number of terms used throughout this guide. To help explain what we mean, we've defined some key terms here.

1. **Policy:** the policy or plan customers have with Phoenix Life Limited.
2. **Transfer:** the proposed transfer of business from Standard Life Assurance Limited, Standard Life Pension Funds Limited and Phoenix Life Assurance Limited to Phoenix Life Limited and the legal process we use to make it happen.
3. **Phoenix Group:** means Phoenix Group Holdings plc and each of its companies.
4. **Scheme:** the legal document which sets out all the details of the Transfer. It is a key part of the application to be considered by the High Court.
5. **Existing Schemes:** the three previous Standard Life Assurance Limited transfer schemes of 2006, 2011 and 2019 (see **Section 4** of this guide) which will be replaced or amended as a result of the Transfer.
6. **Courts:** the collective term we use for the High Court of Justice of England and Wales in London (the High Court) and the Court of Session in Edinburgh (the Court of Session).
7. **Independent Expert:** an experienced actuary (independent of Phoenix Group) appointed to provide a detailed independent report on the Transfer and the impact on our customers.

How to get in touch



You can find up-to-date information about the Transfer at standardlife.co.uk/businesstransferpl



If you have any questions about our proposals, contact our dedicated freephone helpline on **0808 196 6804**.

If you live outside the UK please call **+44 (0) 1234 298 298**. Note that calls to this number will be charged.

The helpline is open from **9am to 5pm** (UK time), Monday to Friday, excluding bank holidays.

If you would like information about your Policy, please get in touch in the usual way. **Section 10** of this guide includes all our contact details.

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It's important you take the time to read this guide.

It includes key information you need to know about our proposal and the process we will follow, and explains what this means for you.



We must follow a legal process, which involves the Courts and regulators – who have also reviewed this proposal.

See **Section 4** for more detail.



An Independent Expert has reviewed this proposal and a summary of his report is included.

To read this, see **Section 7**.



1. Introduction

Our proposals

Phoenix Life Assurance Limited (PLAL), Standard Life Assurance Limited (SLAL) and Standard Life Pension Funds Limited (SLPF) are planning to transfer their policies to Phoenix Life Limited (Phoenix).

PLAL, SLAL, SLPF and Phoenix are all part of Phoenix Group, the UK's largest long-term savings and retirement business. SLAL, SLPF and Phoenix all provide policies under the Standard Life brand.

Your Standard Life Policy

Your Standard Life Buy-In policy or Lifetime Income Plan is already provided by Phoenix, using the Standard Life brand, and so will not move as part of the Transfer. We explain this more in **Section 2** and **Section 9 – Your Policy**.

You'll see no difference to the way your Policy works

Your Policy number and your Policy terms and conditions won't change as a result of the Transfer. The Transfer will not change the benefits payable on your Policy or any guarantees you may have. We explain more about your Policy in **Section 3**.

You'll still receive the same Standard Life experience

You'll continue to see the Standard Life name and brand when we write to you and you may also see it used for advertising, for example on television. Standard Life is an important brand for Phoenix Group. You'll continue to speak to the Standard Life team on the same telephone number as you do now. You shouldn't notice any difference in the service you receive as a result of the Transfer.

2. Who this guide is for

This guide is for Standard Life customers whose Policy is provided by Phoenix.

Didn't realise your Policy was provided by Phoenix?

Currently, there are two types of Standard Life policies provided by Phoenix:

- A Standard Life Buy-In policy
- A Standard Life Lifetime Income Plan

It was explained at the time of taking your Standard Life Policy that it would be provided by Phoenix. So although you see the Standard Life name and brand when we write to you, Phoenix is responsible for your Policy.

About this guide

We've put this guide together to help you understand the Transfer 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 other information we've prepared, to make sure you fully understand our proposals.

Why is the Transfer being proposed?

We're proposing this because Phoenix Group would like to simplify the structure of its business. Phoenix Group is committed to being a strong and sustainable business over the long term, to meet the needs of its customers and stakeholders. Simplifying the structure of its businesses will help ensure it operates efficiently.

Any transfer of an insurance business in the UK must be approved by a court. An important part of the court's role in reviewing a proposed transfer is to make sure that customers are being treated fairly. Subject to the approval of the High Court in London, we expect the Transfer to take place on 27 October 2023.

If the Transfer is approved all PLAL, SLAL and SLPF policies will transfer to Phoenix. Phoenix will become a much larger company and will issue new policies under a number of different brands, including Standard Life.

To enable the Transfer to take effect it is also necessary for the Court of Session in Edinburgh to approve the changes to three existing SLAL Schemes. The Transfer will not go ahead without that approval. We explain more about what this means and the Court processes in **Section 4** of this guide.

In this guide, you can find:

Information about our proposals.

Section 3

Details on how to raise any concerns or objections you may have.

Section 5

Summary of the Independent Expert's report.

Section 7

Questions and Answers to help with questions you may have.

Section 9

3. What this means for you

If the Transfer goes ahead, you won't notice any changes. Your Policy is already provided by Phoenix and will not move. Phoenix will continue to be responsible for your Policy in the same way as it is now.

What stays the same?

You can expect the same Standard Life experience, including:

Your Policy benefits

The benefits payable on your Policy, and any guarantees you may have, will not be changed by the Transfer.

Payments you make

There will be no change to your premiums, or any payments you make, as a result of the Transfer.

Annuity payments

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

Day-to-day management

Your Policy number, terms and conditions, and any payments from us won't change.

Standard Life brand

You'll continue to see the same Standard Life name and brand on communications you receive.

Getting in touch

You can continue to contact us in the same way.

What the Transfer means for customer interests

Security for your Policy

Financial security for your Policy will continue to be maintained by Phoenix. 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 capital policy.

Phoenix will be a much bigger company after the transfer 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 increase in the size of Phoenix, 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.

Financial Services Compensation Scheme (FSCS)

There is no change to your access to FSCS protection as a result of the proposed Transfer.

Other changes

The Transfer will result in some changes to how our business is managed. These are explained in **Section 6** of this guide. The Independent Expert has concluded in his Report that these changes will not have a material adverse effect on you.



The **Independent Expert** has considered the effect of the Transfer on all current Phoenix customers. He has concluded that the implementation of the Transfer will not have a material adverse effect on the security of benefits of Phoenix customers; the reasonable expectations of Phoenix customers with respect to their benefits; or the standards of administration, service, management and governance applicable to the Phoenix policies. This conclusion is set out in **Section 7** of this guide.



4. The process we're following

Protecting the interests of our customers is a key priority for us. Before we transfer any business we'll follow a rigorous process which is explained below.

Consultation with 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 the Transfer

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 Transfer on all current Phoenix policyholders, and the policyholders transferring to Phoenix.

The Independent Expert has been selected on the basis of his experience and independence. 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 Transfer and his opinion on whether any group of policyholders (existing Phoenix policyholders or transferring policyholders) is materially adversely affected by the 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 implementation of the Transfer will not have a material adverse effect on the security of benefits of Phoenix policyholders, the reasonable expectations of Phoenix policyholders with respect to their benefits or the standards of administration, service, management and governance applicable to the Phoenix policies.



You can find the **Independent Expert's summary** of the effect of the transfer on Phoenix policyholders in **Section 7** of this guide. You can see the full report and summary report on our website at standardlife.co.uk/businessstransferll

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 customers 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 certain Phoenix customers where there are changes to the way the unit-linked or with-profits funds their policies invest in are managed as a result of the Transfer.

We're not writing to Phoenix customers where there is no impact on their Policy and no change to the way their policies work. The Transfer does not directly affect your Policy, which is why you haven't received a letter from us.

However, we've set up a dedicated area of our website where you can read the information we've prepared about our proposals. You can even submit a question to our team via our website. Visit standardlife.co.uk/businessstransferll

A helpline has also been set up if you have any questions about the Transfer or would like us to talk you through any of the information we have shared with you.

For all the details on how to get in touch with us, see **Section 10** of this guide.

Approval from 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.

Anyone who considers that they may be adversely affected is entitled to object to the High Court. See **Section 5** of this guide for more information.

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.

- **The 2006 Scheme** which transferred the Standard Life Assurance Company's business to SLAL and became effective in 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 in 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 in 2019. The 2019 Scheme will continue after the proposed transfer of SLAL's business to Phoenix but with SLAL's role replaced by Phoenix.

4. The process we're following (continued)

Final High Court Hearing

We expect the hearing to be held at the High Court of Justice of England and Wales, 7 Rolls Building, Fetter Lane, London, EC4A 1NL on 5 October 2023.

Final Court of Session Hearing

We expect the hearing to be held at the Court of Session, Parliament House, Parliament Square, Edinburgh, EH1 1RQ, on 3 October 2023.

The dates of both Court hearings will be confirmed on our website. Any changes to the court dates will also be updated at [standardlife.co.uk/businessstransferpll](https://www.standardlife.co.uk/businessstransferpll)

Transfer to PLL

The Transfer will only go ahead if the High Court approves the Scheme and the Court of Session gives its approval to the changes to the existing SLAL Schemes. If all of this happens, we expect the Transfer to take place on 27 October 2023.

Customers resident in Guernsey and Jersey







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

Customers resident overseas

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.



When things will happen

What's happened so far	We are here	What happens next
 <p>Regulator consultation We have consulted with the FCA and PRA to ensure they have no objections to our proposals.</p>	 <p>Customer mailing We're letting impacted customers know about our proposals, the process we follow and how you can ask questions, raise concerns or object.</p>	 <p>Supplementary report The Independent Expert completes a final review and a supplementary report confirming that the Independent Expert still considers there to be no material adverse impact on customers.</p>
 <p>Independent review We appointed an Independent Expert to review our proposals. He concluded that there is no material adverse impact on customers.</p>	 <p>Customer helpline and website Our website has lots of information on it and you can also submit any questions you may have. If you prefer, you can also call our dedicated helpline. Copies of any objections will be submitted to the Courts.</p>	 <p>Court hearings To carry out the Transfer we need approval of the Scheme from: High Court, expected to be on 5 October 2023 and approval to the Changes to the Existing Schemes from: Court of Session, expected to be on 3 October 2023.</p>

5. What you need to do

Please take the time to carefully read this guide, and the other information we've prepared, to make sure you fully understand our proposals. You may also find the 'Your questions answered' information contained in **Section 9** of this guide helpful.

No further questions?

If you have no questions we'll keep our website up to date as we move through the Transfer process. You do not need to take any further action unless you are unsure about the proposals, have questions, want clarification or think you may be negatively affected.

Looking for more information?

The questions and answers in **Section 9** may have the information you need. You can also submit a question, view this guide, the full Scheme document, the full Independent Expert's report and other documents related to the Transfer online at our website at standardlife.co.uk/businesstransferpll

Letting others know

Please let anyone else with an interest in your Policy know about these proposals. This could include a joint policyholder, beneficiary, trustee in bankruptcy, or an assignee.

Supporting you

If we can help you with any concerns you have about this Transfer, and in particular any adverse effects you think our proposal may have for you, please get in touch.

All of our contact details are in **Section 10** of this guide.

What to do if you want to object

If you have concerns about the Transfer and believe you may be adversely affected you have the right to raise an objection, which will be presented to the High Court. The High Court will consider all objections made when reaching its decision. You can raise your concerns or object to the Scheme in the following ways:



By calling our dedicated freephone helpline on: **0808 196 6804**.

If you live outside the UK please call: **+44 (0) 1234 298 298**. There will be a charge for this number.



Via our website by submitting an enquiry form at standardlife.co.uk/businesstransferpll



By writing to us, quoting reference FM23; our address is in **Section 10**.



By presenting your objection at the High Court hearing.

You are entitled to raise any objections at the High Court proceedings in person, 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 please note that if you wish your objections to be made by a representative, your representative will need the permission of the High Court to speak.

If you wish to do this, please contact us quoting reference FM23, ideally before 8 September 2023.

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.

6. Summary of the terms of the Scheme

This Section summarises the key terms of the Scheme. You can view the full Scheme document, which contains detailed technical information, on our website standardlife.co.uk/businessstransferpl

You can also request a copy by calling our helpline, our contact details are in **Section 10** of this guide.

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.

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.

Transferring the businesses

Subject to approval of the High Court, on the transfer date, expected to be 27 October 2023, the three transferring companies (PLAL, SLAL and SLPF) will transfer all their policies and business to Phoenix. 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.

Treatment of existing schemes

The Scheme will replace a number of existing schemes covering Phoenix and the transferring companies. In certain places the Scheme amends the provisions in the existing schemes to simplify operation of the Scheme and reflect recent developments, for example in relation to law and regulation. Certain other schemes will continue, including the SLAL 2019 Scheme which will be amended to replace SLAL with Phoenix. 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.

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.

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

Reinsurance

Phoenix will replace the relevant transferring company in 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.

Reinsurance agreements between Phoenix and PLAL, or between SLAL and SLPF, 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, arrangements between funds in the transferring companies or Phoenix, will be replicated between the equivalent successor funds in Phoenix.

Capital policy

The Scheme will set out a capital policy which underpins the amount of capital Phoenix will hold over that required by regulation. The capital policy will include three tests: a capital quantity test, a capital quality test and a capital event test, 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. In practice SLAL already holds capital to meet all three tests.

Costs

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

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. 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. However, this process 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 terms of the Scheme (continued)

Other aspects of the Scheme

The Scheme includes a number of provisions which do not relate to your policy, these include the following:

A number of changes are proposed to the way with-profits funds are managed, including with-profit fund closure requirements, certification requirements, and the operation of the Heritage With-Profit Fund. In addition, the NPI With-Profits Fund will be closed.

- A number of changes are proposed to the way certain unit-linked funds are managed.
- Policy options for a new or replacement policy 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.
- Phoenix 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 transferring business.
- If, for technical reasons, any policies cannot be transferred, we will treat these policies for all practical purposes in the same way as if they had transferred by putting in place a reinsurance arrangement between Phoenix and the relevant transferring company until it is possible to transfer these policies.



7. Summary of the Independent Expert's Report

This Section contains the Independent Expert's summary of the effect of the transfer on Phoenix policyholders.

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 Independent Expert's summary of the effect of the transfer on Phoenix policyholders.



You can see the full report, and also his summary of the effect of the transfer on all policyholders, on our website at [standardlife.co.uk/businesstransferpl](https://www.standardlife.co.uk/businesstransferpl)

You can get a paper copy by calling **0808 196 6804** or writing to us at the address given in **Section 10** of this guide.



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.standardlife.co.uk/businesstransfer. Alternatively, my Full Report can be obtained as set out within **Section 10** 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 Phoenix, other than those holding policies written under the Phoenix Wealth, SunLife, and Phoenix Corporate Investment Services brands, for whom separate summary reports have been produced.

The Chief Actuary and the relevant With-Profits Actuaries of 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, SLAL and SLPF (which is a small subsidiary of SLAL) to be transferred to Phoenix. All current Phoenix policyholders will remain within Phoenix, and (subject to the clarification below in respect of the NPI With-Profits Fund) each of the current with-profits funds within Phoenix, including how they operate, will remain unchanged.

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, with no changes to the determination of the asset mixes which affect policyholder benefits. The published Principles and Practices of Financial Management (known as the PPFM) which governs the operation of the Phoenix with-profits funds will be combined into a single document with the PPFM of the PLAL 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 Phoenix 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 NPI With-Profits Fund within Phoenix will no longer exist following the implementation of the Scheme. The with-profits benefits provided by this fund are currently fully reinsured to and thus determined by the Pearl With-Profits Fund within PLAL, and the Pearl With-Profits Fund is being transferred into Phoenix by the Scheme. The need for the reinsurance will thus fall away, and the with-profits benefits of the relevant policyholders will be determined directly by the Pearl With-Profits Fund. I am satisfied that this arrangement fully preserves the current with-profits benefit expectations for these policyholders.

7. Summary of the Independent Expert's Report (continued)

The Scheme includes changes to the closure provisions for each of the Phoenix with-profits funds. 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 Phoenix 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 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. I note that for unit-linked funds in the Abbey Life and Phoenix Wealth fund ranges, Phoenix currently has all of these rights and there is thus no actual change. 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. The changes described here do not apply to the funds in the Hill Samuel and Target Life fund ranges due to their policy terms. The changes described here also do not apply to policies where unit-linked benefits are determined by reference to externally managed funds, as any changes here are the responsibility of the external manager.

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 Phoenix, PLAL, and SLAL already have common management approaches and governance structures, I can see no reason why the future consideration of charges and expenses within the enlarged Phoenix following the implementation of the Scheme would be materially different to that which currently applies.

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

Hence, for all Phoenix 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 Phoenix, PLAL and SLAL adopt essentially the same capital policy. In particular, a capital buffer is held sufficient to enable Phoenix, PLAL and SLAL 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.

Currently, all SLAL policyholders 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 current Phoenix policyholders) in the enlarged Phoenix following the implementation of the Scheme.

The current provisions for the shareholder to provide capital support to the Phoenix with-profits funds in certain circumstances are maintained under the Scheme.

Governance processes

There will be no material change to the governance processes of Phoenix 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 Phoenix policyholders the Scheme will have no material adverse effect on their security of benefits.

7. Summary of the Independent Expert's Report (continued)

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 Phoenix 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 Phoenix 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

8. 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 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 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.

8. Legal notice (continued)

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:

(i) Phoenix and PLAL

Helpline number: **0800 856 4488**

Helpline number (from overseas): **+44 (0)1733 793 287**

Postal address:

Phoenix Transfer Team,
PO Box 79408,
London
N17 1HQ

The Phoenix and PLAL helplines will be open from 8.30am to 5.30pm (UK time), Monday to Friday (excluding UK bank holidays).

(ii) 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 9am to 5pm (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.

9. Your questions answered

We want to make sure you have answers to any questions you might have about the Transfer. In this section we share the answers to the questions we think our customers are most likely to ask. If the answer to your question is not here, then get in touch with us and we'll be happy to talk.

See **Section 10** of this guide for all the ways you can get in touch.

What's happening?

1. I'm not sure what's happening. Can you explain?

Phoenix Life Assurance Limited (PLAL), Standard Life Assurance Limited (SLAL) and Standard Life Pension Funds Limited (SLPF) are planning to transfer all of their policies to Phoenix Life Limited (Phoenix).

All of these companies are part of Phoenix Group, the UK's largest long-term savings and retirement business.

If the Courts approve our proposals, we expect the transfer to take place on 27 October 2023.

To transfer these policies we must follow a rigorous legal and regulatory process designed to protect customers.

We explain more about the Court process in **Section 4** of this guide.

Your Policy

Your Standard Life Policy is already with Phoenix and will not move as part of the proposed transfer. You won't see any material changes to the way your Policy works as a result of the transfer.

Your Policy number and Policy terms and conditions won't change as a result of the transfer. The benefits payable on your Policy will be the same, and any guarantees you may have on your Policy will not change as a result of the transfer.

You'll continue to see the Standard Life name and brand when we write to you. You'll contact the same Standard Life team using the same details as you do now.

2. Why are you doing this?

We're doing this because Phoenix Group would like to simplify the structure of its business.

Phoenix Group is committed to being a strong and sustainable business over the long term, to meet the needs of its customers and stakeholders. Simplifying the Phoenix Group's structure will result in greater operational efficiency and reductions in expenses, through more efficient financial reporting, governance and administration. It will also enable more efficient management of the capital within the Phoenix Group's life companies.

3. What will this mean for the Standard Life brand?

There will be no change to the Standard Life name or Standard Life brand. You will continue to see the Standard Life name and logo on communications from us and you'll speak to the same Standard Life team when you get in touch.

Standard Life is an important brand for Phoenix Group. You'll continue to see it being used and you may have already spotted our television adverts.

Your Policy

1. I thought my policy was with Standard Life. Is my policy transferring?

Your Standard Life Policy is provided by Phoenix and will not be affected by the Transfer. It is not transferring and will remain with Phoenix, under the Standard Life brand. You'll continue to see the Standard Life name and logo on communications you receive from us.

2. Will my Policy benefits be affected?

There will be no change to the value of Policy benefits as a result of the transfer. If there are guarantees on policies, these will not be affected by the transfer.

3. What will happen to payments I make?

If you are paying premiums these will not be affected by the transfer.

4. Will annuity payments be affected?

There will be no change to annuity payments as a result of the transfer. You'll continue to receive the same amount in the same way as you do now.

5. Will terms and conditions change?

There will be no change to the terms and conditions of policies as a result of the transfer.

6. Will the transfer affect retirement options?

Policies will continue to have the same options at retirement as now. They'll continue to have the option to purchase an annuity elsewhere and will still be able to consider other options.

7. Will security for the policy be maintained?

Financial security for the policy will continue to be maintained by Phoenix. Phoenix will hold more capital than the amount required under current regulations with the aim of ensuring that policies remain protected even under difficult financial conditions.

9. Your questions answered (continued)

Phoenix will be a much bigger company as a result of the transfer, and will issue new policies under a number of different brands. The calculation of the amount of additional capital held by Phoenix will take into account the size of the company, the mixture of risks and the amount of new business to be issued. This will ensure financial security for all policies is maintained.

8. I have a question or complaint – what do I do?

Please contact Standard Life using our contact details in **Section 10** of this guide.

About the Process

1. How are my interests being protected?

Our customers are protected by a rigorous legal and regulatory process which includes:

- seeking the approval of the High Court to transfer the policies;
- seeking approval from the Court of Session to vary or replace previous SLAL transfer schemes;
- consulting with our regulators, the PRA and FCA; and
- obtaining the opinion of an Independent Expert on the impact of the proposed transfer on policyholders.

The Independent Expert has prepared a report on the scheme and the changes to the existing Schemes which is in **Section 7**.

2. Why are the courts involved?

The Transfer requires the approval of the High Court under UK law. The High Court needs to be satisfied that the process for the approval of the Scheme meets all the necessary legal requirements and that our customers are treated fairly.

The Transfer also requires the Court of Session's approval to vary or replace previous SLAL transfer Schemes.

This means, the Scheme will not go ahead unless the Court of Session gives its approval to the replacement of the 2006 Scheme and the 2011 Scheme and the amendment of the 2019 Scheme.

We explain more about this in **Section 4** of this guide.

3. Who is the Independent Expert and what is their role?

The Independent Expert, John Jenkins, whose appointment has been approved by our regulators, has prepared an independent report on our proposals and the impact of the Transfer on our customers.

You can read a summary of the Independent Expert's report in **Section 7** of this guide.

4. What happens if the Courts don't give their approval?

We'll only go ahead with the Transfer if we receive approval from the High Court and the approval of the Court of Session. If either Court doesn't give its approval, the Transfer won't go ahead.

5. What if I wish to object to this Transfer?

You have the right to object to the Scheme in the High Court. The High Court will take all objections into consideration when reaching its decision. The High Court hearing is expected to take place on 5 October 2023. **Section 5** of this guide explains more about objections.

6. When will the Transfer happen?

Subject to the Courts' approval, we expect the Transfer to take place on 27 October 2023. This date could change. We will keep our website up to date with the latest information and where we are in the process.

Next steps

1. What do I need to do now?

Please read the information we've prepared on our website carefully, to ensure you understand our proposals and what they mean for you.

Please make sure that anyone else who may have an interest in your Policy (or policies) has the chance to read this information too. This might include a nominated beneficiary, a trustee in bankruptcy, an executor, a personal representative, or an assignee.

If you have any questions, or would like us to talk you through our proposals, then please get in touch using the Contact Us details in **Section 10** on the next page of this guide.

If you think you may be adversely affected by the Scheme, you have the right to raise your concerns or make an objection. **Section 5** of this guide explains more about objections.

10. Contact us

If you have an adviser you may want to talk to them. If you don't have an adviser and/or you have more questions, or would like paper copies of documents, please get in touch with us.

If you have a question about the Transfer

You can contact us in the following ways:



Online

We'll keep our website updated and you can access information, download documents at standardlife.co.uk/businesstransferpl



Freephone

If you would like to ask us a question about the Transfer you can call our dedicated freephone number below.

All lines are open **9am to 5pm** (UK time) Monday to Friday, excluding bank holidays.

UK: 0808 196 6804

Outside of UK: +44 (0) 1234 298 298 there will be a charge for this number.



Write to us

Standard Life Transfer Team
PO Box 79408
London
N17 1HQ

If you have a question about your Policy

You can get in touch in the usual way if you want any information about your Policy or if you need to let us know about any changes.



Standard Life is part of Phoenix Group, the UK's largest long-term savings and retirement business.

standardlife.co.uk

If you would like this information in large print, Braille or audio please call us on freephone **0808 196 6804** or **+44 (0) 1234 298 298** if you live outside the UK. Note that calls to this number will be charged.

For FAQs and resources to help you find cost of living and wellbeing support, go to **standardlife.co.uk/help** or scan our QR code below.



Phoenix Life Limited, trading as Standard Life, 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 has its registered office at: 1 Wythall Green Way, Wythall, Birmingham, B47 6WG

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