Phoenix Life Assurance Europe DAC

Supplementary Report by the Head of Actuarial Function:

On the proposed transfers of business from ReAssure Life Limited ("RLL") and Phoenix Life Limited ("PLL") to Phoenix Life Assurance Europe DAC ("PLAE")

Date of Report: 3 October 2022

Contents

1.	**Overview**	**3**
1.1.	Overview	3
1.2.	Developments since my Main Report	3
1.3.	Conclusions	3
2.	**Purpose, scope, reliances and compliance**	**4**
2.1.	Purpose of this report	4
2.2.	Guidance on its usage	4
2.3.	Independent Person	4
2.4.	Status and disclosures	5
2.5.	Scope and reliances	5
2.6.	Compliance with regulatory and actuarial standards	5
3.	**Developments**	**6**
3.1	Changes to the Scheme and reinsurance arrangements	6
3.2	Economic conditions since 31 December 2021	6
3.3	Developments affecting the financial position of PLAE	6
3.4	Operational readiness	7
3.5	Assets backing the transferring annuities	7
3.6	Service standards in PLAE	7
3.7	PLAE expense provision	8
3.8	Change in risk profile of PLAE	8
3.9	Impact of events since 30 June 2022	9
4.	**Conclusions**	**10**
5.	**Reliances and limitations**	**11**
5.1.	Data and information reliances	11
5.2.	Variability of results	12
5.3.	Distribution of this report	12
5.4.	Usage of this report	12
6.	**Glossary**	**13**

1. Overview

1.1. Overview

1.1.1. As the Head of Actuarial Function ("HoAF") of Phoenix Life Assurance Europe DAC ("PLAE"), I have been asked to comment on the proposed scheme for the transfers of certain policies written in the European Union ("EU") by companies in the Phoenix group, to PLAE.

1.1.2. This report is a supplementary report to the report entitled "Head of Actuarial Function Report: On the proposed transfers of business from ReAssure Life Limited ("RLL") and Phoenix Life Limited ("PLL") to Phoenix Life Assurance Europe DAC ("PLAE")" dated 28 June 2022 ("my Main Report"). All definitions and abbreviations used in my Main Report apply also to this supplementary report.

1.1.3. The objective of this report is to consider whether events since my Main Report have impacted upon the conclusions and opinions I, as the proposed[1] Head of Actuarial Function for PLAE, expressed in that report.

1.2. Developments since my Main Report

1.2.1. Since the time of writing of my Main Report in June 2022 there have been minor updates to reinsurance arrangements, demographic assumptions and models.

1.2.2. More significant developments include updates to expense provisions, MSA provisions and operational readiness. These and other developments are described in section 3.

1.2.3. The updated financial position, reflecting a pro-forma valuation as at 30 June 2022 (as if the Scheme had been implemented at that date), is also in section 3.

1.3. Conclusions

1.3.1 It is my view that the conclusions set out in my Main Report continue to hold. My conclusions are given in section 4.

[1] Since my Main Report, I have been approved by the CBI as the HoAF for PLAE.

2. Purpose, scope, reliances and compliance

2.1. Purpose of this report

2.1.1. As the Head of Actuarial Function ("HoAF") of PLAE, I have been asked to comment on the proposed scheme for the transfers of certain policies written in the European Union ("EU") by companies in the Phoenix group, to PLAE. The transferring policies comprise:

- Unit-linked business written in Norway and Sweden and critical illness business written in Germany by RLL (the "RLL remaining EEA book");
- The PLL TCB comprising annuities, with-profits, non-profit and unit-linked business written in Ireland; and
- Non-linked non-profits business in Germany and Iceland provided by PLL.

2.1.2. These books of business will transfer out of PLL and RLL under Part VII of the Financial Services and Markets Act 2000, and the PLL TCB will additionally transfer under Section 13 of the Assurance Companies Act 1909 (the "1909 Act") (together the "Transfers"). The Transfers are dependent on one another, and one will not become effective unless the other is sanctioned by the appropriate court. The Transfer proposals are set out in the respective Schemes.

2.1.3. Prior to the Schemes taking place, PLAE has no policyholders and therefore I do not need to present any conclusions on the impact of the Schemes on the security and expectations of any group of transferring or non-transferring policyholders as part of this report. These considerations are covered in the reports of the Chief Actuaries of PLL and RLL. I have relied on the investigations carried out, and opinions reached, by the Chief Actuaries in the assessment of the Schemes of the transferring PLL and RLL policyholders.

2.1.4. As part of my review of the application for authorisation of PLAE to carry out long-term business in Ireland (the "Application"), I have considered the following:

- the financial projections of PLAE, should the transfers be sanctioned;
- the ORSA, in particular adequacy of stress scenarios having regard to the risk profile of PLAE;
- the underwriting policy; and
- the proposed reinsurance and security agreements planned between PLAE and PLL and RLL following the transfer.

2.2. Guidance on its usage

2.2.1. This report supplements, and should be read in conjunction with, my Main Report.

2.2.2. This report is addressed to the Board of PLAE. I also note that this report may be considered by the Central Bank of Ireland (the "CBI"), the Prudential Regulatory Authority (the "PRA"), and the Financial Conduct Authority (the "FCA") (together the "Regulators"), as part of their consideration of the Schemes. A copy of this report will be provided to the High Court of England and Wales and the Irish High Court (the "Courts"). This report may also be made available to the transferring policyholders and other interested parties in the transfer

2.2.3. A glossary of the definitions and abbreviations used in this document is included in section 6.

2.3. Independent Person

2.3.1. Mr Philip Simpson of Milliman LLP has been retained by the Phoenix group companies as the Independent Person and has been approved as such by the CBI and the PRA in consultation with the FCA.

2.4. Status and disclosures

2.4.1. I am a Fellow of the Society of Actuaries in Ireland ("FSAI"), with 25 years of actuarial experience. Subject to the approval of my appointment by the CBI, I will act as the HoAF for PLAE.

2.4.2. I am an employee of PricewaterhouseCoopers Ireland and am the head of its Irish Life Actuarial Practice. I have no personal financial interest in the Phoenix group nor hold any policies with the group. The terms of my engagement as HoAF have not influenced me in reaching any of the conclusions detailed in this report.

2.5. Scope and reliances

2.5.1. This report is addressed to the Board of Directors of PLAE. The Independent Person, the Regulators, and the Chief Actuaries of RLL and PLL have been provided with drafts of this report throughout the Part VII and Section 13 processes.

2.5.2. In carrying out the work and producing this report, I relied on data and other information provided by RLL and PLL. I have reviewed the information for consistency and reasonableness, but I have not audited or otherwise validated it. If the underlying data or information is inaccurate or incomplete, the results of our analysis may likewise be inaccurate or incomplete.

2.5.3. The financial information provided to me for PLAE has been prepared on a Solvency II basis based on data up to 30 June 2022. PLAE has calculated its own pro-forma financial information, assuming that the transfers had taken place on 30 June 2022.

2.5.4. Totals may not add up due to rounding.

2.5.5. This report is based on information made available to me up to the date of this report and takes no account of developments after this date.

2.5.6. Further information on reliances and limitations associated with this report can be found in section 5.

2.6. Compliance with regulatory and actuarial standards

2.6.1. My work has been performed in accordance with my engagement letter (the "engagement letter"), dated 23 July 2021. There is no actuarial professional guidance specifically covering the work of the HoAF in respect of a Part VII transfer or Section 13 transfer. However, my work has been performed in accordance with Actuarial Standard of Practice ASP-PA2 v1.2, effective 1 March 2022, issued by the Society of Actuaries in Ireland that covers general actuarial practice.

3. Developments

3.1 Changes to the Scheme and reinsurance arrangements

3.1.1. Since my report in June 2022 there have been no substantive changes to the Scheme or to the reinsurance arrangements; there were some minor drafting changes and typographical corrections.

3.2 Economic conditions since 31 December 2021

3.2.1. The financial analyses in my Main Report were prepared based on information as at 31 December 2021. Investment markets have been volatile during the first half of 2022 reflecting an uncertain geopolitical outlook.

3.2.2. Interest rates have risen in the period. Higher discount rates reduce the value of the transferring liabilities.

3.2.3. During 2022 there has been a sharp increase in the Irish Consumer Price Index (CPI), with the annual rate exceeding 9% for the first time in many years. This leads to an increase in liabilities in relation to future expenses and to those annuity policies where benefits are linked to an inflation index.

3.2.4. Other economic exposures for PLAE will include asset growth rates which has an impact on the non-unit BEL for unit-linked business, as well as asset shares for the with-profits business. With-profits business and the unit reserves for unit-linked business are fully reinsured, such that the net of reinsurance impact on liabilities is limited to the non-unit BEL for unit-linked business.

3.2.5. All applicable market impacts from changes in asset values, spreads, interest will feed through the SCR where there are exposures. The credit rating of Phoenix will also impact the counterparty default module; however, there has been no changes in rating since my Main Report.

3.2.6. The impact of these and other movements have been reflected in the analysis shown in section 3.3.

3.3 Developments affecting the financial position of PLAE

3.3.1. My Main Report showed the base balance sheet has been produced on a pro-forma basis at 31 December 2021, as if the Scheme had been implemented at that date.

3.3.2. The following table updates this analysis to 30 June 2022, taking into account the economic conditions as referred to in section 3.2 and the increased expense liability as set out in section 3.7.

Table 1: Pro-forma financial position of PLAE

€m	31 December 2021[2]	30 June 2022
Total Assets (A)	1,315.4	1,156.2
Total Liabilities (B)	1,197.0	1,057.6
Own Funds (= A - B)	**118.3**	**98.6**
Solvency Capital Requirement (“SCR”)	78.8	65.7
SCR to OF ratio before dividend	**150%**	**150%**
Dividend	N/A	N/A
SCR to OF ratio after dividend	**150%**	**150%**

[2] Total assets and total liabilities have been restated as at 31 December in the table above, compared with the equivalent figures which appeared in my Main Report. This is to provide a consistent presentation with the balance sheet shown at 30 June 2022. In the table above, at 31 December 2021, total assets and total liabilities now include an estimate of current asset and liabilities and dormant accounts asset and liabilities. As these numbers exactly offset each other, there is no impact on Own Funds at 31 December 2021.

3.3.3. The solvency ratio of PLAE assuming the transfers took place at 30 June 2022 is unaltered compared with 31 December 2021. This is because the capitalisation requirement in the Scheme provides for a share capital injection from RAL to cover the PLAE CMP leading to a solvency ratio of at least 150% post transfer.

3.3.4. The Own Funds and SCR have decreased at 30 June 2022, compared with 31 December 2021. The two main causes of this reduction are:

- a rise in risk-free yields over the first half of 2022, which reduces the overall size of PLAE's balance sheet because future liabilities are more heavily discounted; and
- a reduction in volumes of business expected to transfer as a result of a further six months of run-off of the business prior to the later the transfer date.

3.3.5. The impact of these two effects is partially offset by the increase in expenses as described in 3.7.

3.4 Operational readiness

3.4.1. I noted in my Main Report that the Phoenix Group had planned the requirements to achieve operational readiness and establish appropriate management services agreements in time for the transfers in of business on 1 January 2023. I was informed by the project team that the necessary work was underway. I undertook to provide an update in my Supplementary Report.

3.4.2. I note significant progress has been made by the project team towards operational readiness post transfer. The key area where further progress still needs to be made is with regard the recruitment of new members of staff into SLAESL (Irish Branch) to perform customer servicing and administration requirements for PLAE.

3.4.3. Should the recruitment not be sufficiently advanced by the time of the transfer, contingency plans are being put in place by the project team. These plans include retaining existing Phoenix staff and, where necessary, seconding them to SLAESL in Ireland or leveraging resource from elsewhere within the Group.

3.5 Assets backing the transferring annuities

3.8.1. I noted in my Main Report that PLL is planning to reinvest the non-EUR assets backing the transferring annuity policies into EUR assets and carry out certain other trades within its current ALM framework prior to the transfer. The effect of the trades would be to avoid the risks currently mitigated by derivatives, and there should be no material change to the risk profile or SCR of PLAE. I understand that this exercise is on schedule to be completed for the date of the proposed transfer.

3.6 Service standards in PLAE

3.6.1. As noted in my Main Report, PLAE does not have any existing policyholders to consider and the effect of the Schemes on the existing RLL and PLL policyholders being transferred to PLAE in considered by the respective Chief Actuaries ("CAs") and With Profits Actuary ("WPA"). The CA and WPA reports have concluded that the Schemes do not adversely impact the benefit expectations and fair treatment of policyholders. I have relied on their conclusions in that respect.

3.6.2. As set out in my Main Report, the Phoenix Group will relocate regulated activity, including servicing activity, from the UK to Ireland to ensure that the transfer does not give rise to UK licensing requirements for PLAE. As a result, PLAE will enter into a Management Services Agreement ("MSA") with Standard Life Assets and Employee Services Limited, Ireland Branch ("SLAESL")

3.6.3. I noted in my Main Report that PLAE's MSA with SLAESL was expected to contain provisions such that the service standards provided by PLAE will not be materially different to those provided by RLL prior to the transfer.

3.6.4. I have been informed that the Service Level Agreements ("SLAs") in the Schedule to the MSA have been incorporated from the existing SLAs which are currently applicable to RLL and PLL . I am therefore comfortable that the Schedule contains provisions designed to ensure the same service standards will be maintained after the transfer.

3.7 PLAE expense provision

3.7.1. As a result of the new MSA between PLAE and SLAESL, following the relocation of servicing activity to Ireland, the level of fees to be incurred within PLAE will rise materially compared with the allowances incorporated into the PLAE balance sheet as at 31 December 2021 shown in my Main Report. This increase in expense liability and the associated increases in Risk Margin and SCR will be met by an increase in the capital injection required from RAL. PLAE will continue to be capitalised to a solvency ratio post transfer of at least 150% of SCR, consistent with its capital management policy.

3.8 Change in risk profile of PLAE

3.8.1. In my Main Report I set out the risk profile to which the transferring policyholders would be exposed within PLAE if the transfer had taken place at 31 December 2021. The increase in expense liability described above has resulted in a larger expense risk SCR within PLAE as at 30 June 2022 compared with 31 December 2021. This in turn has resulted in a shift in the overall risk profile. Under the new expense operating model, expense risk capital is larger than counterparty default risk capital and therefore becomes the third most significant risk after longevity and credit risk. The change in risk profile does not have a material adverse effect on policyholder security as PLAE continues to be capitalised to at least 150% of SCR.

3.8.2. The breakdown of PLAE's pro-forma Standard Formula SCR at 31 December 2021 and 30 June 2022 is set out in the table below. This provides a quantitative view of the risks which PLAE will cover.

Table 2: PLAE risk profile based on SCR components

€m	31 December 2021	30 June 2022
Longevity risk	51.3	38.6
Spread risk	25.8	21.0
Counterparty default risk	10.6	10.6
Expense risk	10.4	15.1
Equity risk	5.3	2.8
Lapse risk	4.5	3.3
Currency risk	1.4	1.1
Interest rate risk	1.0	0.3
Other	0.9	0.7
Total before diversification	**111.3**	**93.5**
Diversification	(36.8)	(32.5)
BSCR	**74.5**	**61.0**
Operational risk	4.4	4.7
SCR	**78.9**	**65.7**

3.8.3. The main causes for the reduction in SCR at 30 June 2022, compared with 31 December 2021, are outlined in section 3.3. Longevity risk has reduced due to a reduction in the value of the liabilities for annuities in payment due to higher discount rates and the run-off of the business. Expense risk has increased due to the higher expense provision at 30 June 2022, as described in section 3.7.

3.9 Impact of events since 30 June 2022

3.9.1. Interest rate rises since 30 June 2022 will reduce the value of the transferring assets and liabilities, and this will reduce PLAE's capital requirements.

3.9.2. I note that PLAE would be exposed to inflation on part of its expense liabilities (and a very small proportion of its annuity liabilities) following the transfer.

3.9.3. I have seen the results of a severe inflation stress test carried out on the PLAE balance sheet, which showed that PLAE would withstand the stress and remain within its amber risk appetite for solvency capital coverage. This scenario does not take account of management actions that are available to PLAE; such management actions would mitigate the severity of this scenario and reduce the impact on solvency capital coverage.

4. Conclusions

4.1.1. It is my view that the conclusions set out in my Main Report continue to hold, as follows.

4.1.2. Based on the information available to me at this time, I conclude that the proposed funding mechanism means that:

- PLAE should have sufficient own funds to meet its regulatory capital and Capital Management Policy at all stages of the transfer process;
- PLAE should be able to meet its Capital Management Policy requirements throughout the projection period; and
- PLAE should have sufficient resources to withstand adverse stress scenarios and, based on its proposed management actions in those scenarios, return to within its Capital Management Policy solvency level within a reasonable period of time.

4.1.3. I have reviewed the material assumptions and the modelling methodology used by PLAE to produce its financial projections and am satisfied that they are materially appropriate.

4.1.4. I have also reviewed the proposed reinsurance and security agreements between PLAE, RLL, and PLL, and am satisfied that:

- the operation of the treaties should not change the benefits provided to transferred policyholders (as against the benefits which they would have received had they not been transferred to PLAE); and
- the termination terms of the reinsurance agreements and the security agreements provide an appropriate degree of protection to PLAE against the risk of downgrade or default of the reinsurers.

Niall Naughton

Niall Naughton

3 October 2022

Signing Director of PricewaterhouseCoopers

Fellow of the Society of Actuaries in Ireland

5. Reliances and limitations

5.1. Data and information reliances

5.1.1. In carrying out the work and producing this report, I relied on data and other information provided by RAL, PLL and RLL. I have not audited or verified this data and other information. If the underlying data or information is inaccurate or incomplete, the results of our analysis may likewise be inaccurate or incomplete.

5.1.2. I performed a limited review of the data used directly in my analysis for reasonableness and consistency and have not found material defects in the data. If there are material defects in the data, it is possible that they would be uncovered by a detailed, systematic review and comparison of the data to search for data values that are questionable or for relationships that are materially inconsistent. Such a review was beyond the scope of my assignment.

5.1.3. This report is based on the following assumptions:

- We were provided with access to accurate and complete data and information.
- RAL, RLL and PLL informed us about the source and the intended use of the data and information and has disclosed to us (PwC) all limitations of and adjustments made to such data and have provided us with all other information reports and conclusions of any internal or external relevant analysis performed on the quality of data.
- RAL, PLL and RLL ensured that all data received from external service providers such as market data, financial data and other general available data are accurate and reliable.
- RAL, PLL and RLL provided us with all information about the reliability of the sources of information and their consistency and stability of the processes of collecting and publishing of such information over time.
- RAL, PLL and RLL informed us about any changes that have been applied over time to external data, whether those changes relate to assumptions or associated methodologies or any other procedures regarding the collection of external data.
- RAL, PLL and RLL informed us about any data limitations or uncertainties which may affect the data.

5.1.4. In carrying out the work and producing this report, reliance has been placed upon, but not limited to, the following information:

- Details of the transferring products and business of PLL and RLL.
- PLL and RLL supplementary reports.
- Solvency II balance sheets and Solvency Capital Requirements as at 31 December 2021 and as at 30 June 2022.
- RAL application for authorisation of PLAE submitted to the CBI.
- The ORSA for PLAE prepared as part of RAL's application to the CBI for authorisation for PLAE.
- The Chief Actuary of PLL report, the Chief Actuary of RLL report, and the report prepared by the With-Profits Actuary of PLL.
- Details of reinsurance treaties for the entities involved in the Schemes and related security.
- The Schemes.
- Risk Appetite Statement and Capital Management Policy for PLAE.
- Operational readiness information for PLAE.

5.1.5. This report was based on data and information available to us at, or prior to the report date, and takes no account of developments after that date.

5.2. Variability of results

5.2.1. Assumptions are made about future experience. However, actual future experience is likely to differ from these assumptions, due to random fluctuations, changes in the operating environment and other factors. Such variations in experience could have a significant effect on the results and on the conclusions of this report. No warranty is given that the assumptions made in the information underlying our conclusions in this report will be reflected in actual future experience.

5.3. Distribution of this report

5.3.1. This report has been prepared for use by various interested parties as follows:

- The Court having jurisdiction over the proposed transfer
- Policyholders of PLL and of RLL who are directly affected by the proposed Part VII transfer
- The Chief Actuary and With-Profits Actuary of PLL
- The Chief Actuary of RLL
- The Central Bank of Ireland, the Prudential Regulatory Authority and the Financial Conduct Authority
- Professional advisors appointed by any of the above in connection with the proposed transfer, including the Independent Person

5.3.2. This report may not be published without my written consent, with the exception of making the report available for inspection by or circulation to policyholders as required by legislation or in order to meet any other specified legal requirements.

5.3.3. A summary of this report may not be made without my written consent and, in particular, a summary of this report should not be distributed to policyholders without my prior approval.

5.4. Usage of this report

5.4.1. This report has been prepared by me as the Head of Actuarial Function of PLAE under the terms and conditions of the letter of engagement dated 23 July 2021 and within the context of the assessment of the terms of the proposed Schemes. Users of this report must not rely on it for any purpose other than in connection with the Schemes.

5.4.2. No liability will be accepted by PwC, or me, for any application of this report to a purpose for which it was not intended nor for the results of any misunderstanding by any user of any aspect of this report (or any summary thereof). Neither PwC nor I owe or accept any duty to any party other than to RAL. Neither PwC nor I shall be liable for any loss, damage or expense (including interest) of whatever nature that is caused by any party's reliance on representations in this report.

5.4.3. This report must be considered in its entirety as individual sections, if considered in isolation, may be misleading. Draft versions of this report must not be relied upon by any person for any purpose. If reliance is placed contrary to the guidelines set out above, PwC disclaim any and all liability which may arise.

5.4.4. The report is intended to be used by a person with a certain level of expertise in the areas addressed and for the stated purposes only. Any reader of this report must possess a certain level of expertise in areas relevant to this analysis to appreciate the significance of the assumptions and the impact of these assumptions on the illustrated results. The reader should be advised by their own actuaries or other qualified professionals competent in the subject matter of this report, so as to properly interpret the material.

5.4.5. The consultants who worked on this assignment are life insurance actuaries. As such, they are familiar with statutory accounting and GAAP accounting, but are by no means experts in law, taxation, or accounting. Our advice is not, nor is it intended to be, a substitute for qualified legal, tax, or accounting advice.

6. Glossary

Term	Definition
BEL	Best estimate Liabilities, the value being derived from a model using best estimate actuarial assumptions.
CBI	Central Bank of Ireland, the regulator of insurance companies in Ireland.
Capital Management Policy	A Board approved policy for the amount of additional capital the firm holds in excess of the regulatory requirements to provide an additional solvency buffer.
CNP	Conventional non-profits business; types of policies where the premiums and claims are fixed in nominal terms.
CWP	Conventional with-profits business; in which policyholders participate in the surplus emerging from with-profits funds.
Cost of Capital	A calculation representing the economic cost of raising and holding the capital resources needed to meet the non-hedgeable risk components of the SCR.
Credit Rating Quality Step	The external credit rating given to a life company's contractual counterparty, as defined in the Solvency II regulations.
Diligenta	Diligenta Limited, and external service company providing administration services to companies in the Phoenix Group.
Estate	The excess free assets of a life insurance company over the best estimate liabilities.
EIOPA	European Insurance and Occupational Pensions Authority, the European supervisory authority for Insurance business.
FCA	Financial Conduct Authority, the regulator of the financial services industry in the UK responsible for the conduct of financial services firm, including the fair treatment of customers.
Fixed Charge	An agreement under which certain assets are secured as collateral against the risk of default by the counterparty.
Floating Charge	An agreement giving the holder a right of charge over all of the assets of the counterparty which may be crystallised in the event of default. This is generally limited to the termination amount of the associated contract.
Guaranteed Annuity Options (GAOs)	The right to secure an annuity at a guaranteed rate on vesting which applies to some types of pensions business.
Independent Person (IP)	In the context of the UK transfer this refers to the Independent Expert, and in the context of the Irish transfer this refers to the Independent Actuary. In both cases this is Mr Philip Simpson of Milliman.
Internal Model	An alternative methodology for determining the SCR instead of using the standard formula. Internal models require regulatory approval.
Minimum Capital Requirement (MCR)	The Solvency Capital Requirement is the minimum amount of capital a company is required to be authorised to write long-term business under Solvency II Pillar 1.
MSA	Management Services Agreement, an agreement that provides for the administration services in respect of the transferring business following the transfer date. PLAE will have MSAs with SLAESL and RUKSL.
Matching Adjustment	An increase to the risk-free discount rate used to value annuity liabilities backed by an identified portfolio of eligible assets. Requires regulatory approval and certain strict ongoing requirements must be adhered to.
Outsourced Service Provider (OSP)	An external service company. PLAE has two main OSPs – Diligenta and SS&C.

Term	Definition
Own Funds	Free assets on an insurance company balance sheet in excess of the amount required to cover technical provisions and the regulatory capital requirements.
ORSA	Own Risk Solvency Assessment, a pillar of the Solvency II prudential regime based on the firm's own assessment of the risks of the business, rather than the regulatory prescribed methodology.
Phoenix Capital Policy (PCP)	The capital management policy that generally applies to life companies in the Phoenix group.
PGH	Phoenix Group Holdings Company Limited.
PGMS	Phoenix Group Management Services Limited, a UK-based service company of the Phoenix group.
PLAE	Phoenix Life Assurance Europe dac.
PLAE NPF	The non-profits fund of PLAE, which holds all of the remaining long-term business of PLAE apart from that in the ring fenced with-profits fund.
PLAE 90% WPF	The 90% with-profits fund of PLAE.
PLAE Alba WPF	The Alba with-profits fund of PLAE.
PLAE Phoenix WPF	The Phoenix with-profits fund of PLAE.
PLAE SPI WPF	The SPI with-profits fund of PLAE.
PLL	Phoenix Life Limited.
PLL NPF	The non-profits fund of PLL.
PLL 90% WPF	The 90% with-profits fund of PLL.
PLL Alba WPF	The Alba with-profits fund of PLL.
PLL Phoenix WPF	The Phoenix with-profits fund of PLL.
PLL SPI WPF	The SPI with-profits fund of PLL.
PLL TCB	Phoenix Life Limited Third Country Branch (Ireland).
PCF	Pre-Approved Controlled Function, a designated role in an Irish insurance company that requires the holder to be approved by the CBI.
Principles and Practices of Financial Management (PPFM)	A document produced and maintained by a UK life company setting out how its with-profits fund(s) will be run.
PRA	Prudential Regulation Authority, the regulator of the financial services industry in the UK responsible for the safety and soundness of firms and securing an appropriate degree of protection for policyholders.
RAL	ReAssure Limited.
RLL	ReAssure Life Limited.
RLL IGR	The internal reinsurance agreement between RLL and RAL.
RUKSL	ReAssure UK Services Ltd, a service company in the Phoenix group that provides administration for life companies that were part of the ReAssure group.
Ring Fenced Funds (Ring fencing)	An arrangement where profits and losses on an identified block of business are segregated and cannot be shared with or used to absorb losses elsewhere in the company, commonly used for with-profits funds.
Risk Margin	An amount representing the amount required by a third party to take over the capital obligations of an insurance company.
Risk Profile	The composition of different types of risk borne by an insurance company, typically subdivided into market risks, insurance risks, and operational risks.

Term	Definition
Solvency Capital Requirement (SCR)	The Solvency Capital Requirement is the capital a company is required to hold under Solvency II Pillar 1.
Solvency Cover Ratio	The ratio of Own Funds divided by the SCR.
Standard Formula (SF)	The methodology and calibration set by EIOPA to determine regulatory capital requirements for firms that do not use an internal model.
SLAESL	Standard Life Assets and Employees Services Ltd, a Phoenix group service company with a branch in Ireland.
SLIntl	Standard Life International Limited.
SS&C	SS&C International Managed Services Limited, an external service company providing administration for certain Irish policies in the Phoenix group.
Sunset Clause	Provisions in a transfer scheme that set out measures that can be taken to wind up or merge a with-profits fund, once its liabilities have been reduced to a defined level.
Technical Provisions	The amount that an insurer requires to fulfil its insurance obligations and settle all expected commitments to policyholders and other beneficiaries arising over the lifetime of the insurer’s portfolio of insurance contracts.
Transitional Measure on Technical Provisions (TMTP)	Optional reduction to the Solvency II technical provisions to phase-in an increase to the technical provisions from the previous regime over a 16-year period. Requires regulatory approval.
Unit-Linked business (UL)	A type of long-term business where the policy benefits are determined directly by the value of assets held in policyholders’ funds. These funds are divided into units of equal value and allocated amongst policies in proportion to their investment in the fund.
Unit-Linked Reinsurance Agreements	New contracts that PLAE will enter into with PLL and RLL that reinsure 100% of the transferred unit-linked liabilities back to PLL and RLL.
Unitised with-profits business (UWP)	A hybrid of unit-linked and with-profits business, where the value of units is linked to the performance of a with-profits fund, and increases in line with profits distributed by that fund.
Volatility Adjustment	An uplift to the risk-free discount rate used to value certain liabilities. Requires regulatory approval and certain conditions to be met.
With profits business	A with-profits policy is a type of long-term insurance contract. It provides benefits to customers through eligibility to participate in discretionary distributions based on profits arising from the life insurer’s business or from a particular part of the life insurer’s business. Distributions are typically made in the form of bonuses that are added to the value of the policy annually.
WPA	With-Profits Actuary (of the relevant funds of PLL).
WPC	With-Profits Committee (of PLL).
With-Profits Operating Principles (WPOP)	A document produced and maintained by an Irish life company setting out how its with-profits fund(s) will be run.
With-Profits Reinsurance Agreements	New contracts that PLAE will enter into with PLL that reinsure 100% of the transferred liabilities and risks from the with-profits funds back to PLL.