
**Summary Extract from the Report of the Independent Actuary
on the proposed Scheme to transfer a portfolio of insurance business
from Phoenix Life Assurance Europe Designated Activity Company
to Standard Life International Designated Activity Company**

1 Introduction

- 1.1 The Boards of Phoenix Assurance Europe DAC (“**PLAE**”) and Standard Life International DAC (“**SLIntl**”) have agreed to the transfer of all the insurance business of PLAE (the “**Transferring Policies**”) into SLIntl on 1 January 2025, or such other date as may be specified by the Court (the “**Effective Date**”). The reasons for the proposed Scheme are outlined in the Policyholder Circular.
- 1.2 In order to achieve this, a court-approved portfolio transfer is required. The Transferring Policies will be transferred from PLAE to SLIntl via a scheme of transfer (the “**Scheme**”), subject to approval by the High Court of Ireland (the “**Court**”).
- 1.3 PLAE was established in Ireland in 2020 and was authorised by the Central Bank of Ireland (“**CBI**”) to transact insurance business from September 2022. PLAE’s immediate parent is ReAssure Limited (“**RAL**”), a company incorporated and resident in the UK. RAL is a subsidiary of Phoenix Group Holdings plc.
- 1.4 SLIntl was established in Ireland in 2005. The Company is an insurance undertaking, and its main activities consist of the provision of life assurance and pension products in the UK, Ireland, Germany and Austria. SLIntl is a subsidiary of Phoenix Group Holdings plc.

The role of the Independent Actuary

- 1.5 Under the Assurance Companies Act 1909 (the “**1909 Act**”), the Scheme must be assessed by an independent actuary (“the **Independent Actuary**”). SLIntl and PLAE (each a “**Company**” and together the “**Companies**”), have instructed me to act as the Independent Actuary who is required to report to the Court on the terms of the proposed Scheme.
- 1.6 I, Michael Claffey, am a Fellow Member of the Society of Actuaries in Ireland, and have been so since 1998. I am a Principal of Milliman and am a consulting actuary based in the firm’s Irish insurance practice at 7 Grand Canal Street Lower, Dublin 2. I have more than 30 years’ experience in the insurance industry, including experience of acting as the Appointed Actuary and/or Head of Actuarial Function for a number of Irish life assurance companies and acting as the Independent Actuary in relation to a number of previous transfers of life assurance business in Ireland, the Isle of Man and Guernsey.
- 1.7 Section 13 of the 1909 Act requires that a report on the terms of the Scheme by an independent actuary be transmitted to each policyholder of each company (the “**Independent Actuary’s Report**”), unless the Court otherwise directs. I have produced my Independent Actuary’s Report which considers the effects of the transfer on policyholders and which sets out my conclusions, and includes my reliances and limitations in

producing the report. My full Independent Actuary's Report is available to any interested party who wishes to see it on request from the Companies and it is also available online via the Companies' websites.

- 1.8 The Companies have applied to the Court and have gained approval for an exemption from sending the full Independent Actuary's Report to all policyholders and instead to send a summary of the Independent Actuary's Report to the policyholders of PLAE only (the "**Transferring Policyholders**").
- 1.9 This report (the "**Independent Actuary's Summary Extract**", or "**Summary Extract**") is a summary of my full Independent Actuary's Report. This Summary Extract was prepared by me for inclusion in the communications pack to be sent to all Transferring Policyholders.

Instructions

- 1.10 I have interpreted my instructions as Independent Actuary as requiring me to consider the likely effects of the proposed Scheme on the Companies' life assurance policyholders including, but not limited to, the security of their benefits and their reasonable expectations. I have had regard to the security of the benefits in each Company both before and after the implementation of the proposed Scheme, and each Company's policyholders' reasonable expectations created by the past practices employed or statements made by each Company. I have compared the status quo to the position that will apply after the completion of the proposed transfer.
- 1.11 I will prepare a further report (the "**Supplemental Report**") prior to the final Court hearing (expected in late 2024) to provide an update for the Court on my conclusions in respect of the effect of the proposed transfer on the different groups of policyholders in light of any significant events or developments that have occurred since the Independent Actuary's Report (and this Summary Extract) was prepared.

Parties for whom my report has been prepared

- 1.12 The Independent Actuary's Report and this Summary Extract have been prepared for the benefit of the policyholders of PLAE and SLIntl (noting however the policyholders of SLIntl will not automatically receive this Summary Extract or the Independent Actuary's Report but they can request copies from the Companies or access the reports via the websites of the Companies).
- 1.13 The Independent Actuary's Report will be used as part of the petition to the Court to sanction the proposed transfer. The Independent Actuary's Report may also be of interest to PLAE and SLIntl, the CBI or any other governmental department or agency having responsibility for the regulation of insurance companies in Ireland, or other relevant Member States of the EEA and to any professional advisors with respect to the proposed Scheme.

Reliances and limitations

- 1.14 This Summary Extract covers the main conclusions of my full Independent Actuary's Report. However, this Summary Extract must be considered in conjunction with my full Independent Actuary's Report. This Summary Extract is subject to the same reliances and the same limitations on its use as are set out in my full Independent Actuary's Report.
- 1.15 I have had access to certain documentary evidence provided by PLAE and SLIntl in relation to the Scheme. In addition, I have had access to, and discussions with, the senior management of both PLAE and SLIntl. My full Independent Actuary's Report lists the principal data sources. My conclusions depend on the substantial accuracy of this information, and I have relied on this information without independent verification. There are no documents or other information that I have requested that have not been provided.

- 1.16 Neither I, nor any member of my team, is a qualified legal or tax expert. I have relied on the opinions and assurances of the Companies' experts in these matters and have not sought independent expert advice.
- 1.17 This Summary Extract is based on the information available to me at, or prior to, 27 June 2024, and takes no account of developments after that date.
- 1.18 The Independent Actuary's Report, and this Summary Extract, have been prepared specifically and solely for the purposes of Section 13 of the 1909 Act.
- 1.19 The Independent Actuary's Report, and this Summary Extract, have been prepared within the context of the assessment of the terms of the proposed Scheme. No liability will be accepted by Milliman, or me, for any application of the Independent Actuary's Report to a purpose for which it was not intended, nor for the results of any misunderstanding by any user of any aspect of the Independent Actuary's Report (or any summary thereof). Judgments as to the conclusions contained in the Independent Actuary's Report should be made only after studying the Independent Actuary's Report in its entirety. Furthermore, conclusions reached by the review of a section or sections on an isolated basis may be incorrect.
- 1.20 This Summary Extract should be considered together with the other documents relating to the proposed Scheme. In the event of conflict or difference of interpretation between this Summary Extract and my full Independent Actuary's Report, my Independent Actuary's Report takes precedence.

Professional guidance and terminology

- 1.21 Version 1.2 (effective 1 March 2022) of ASP PA-2 ("General Actuarial Practice"), as issued by the Society of Actuaries in Ireland ("**SAI**"), requires members to consider whether their work requires an independent peer review. As a Fellow of the SAI, I have complied with ASP-PA2 in the preparation of the Independent Actuary's Report, and this Summary Extract.
- 1.22 This Summary Extract contains various technical terms which I need to use in assessing the proposed Scheme. Those terms are written in bold font when first defined in this Summary Extract and are also defined in the glossary in my full Independent Actuary's Report.

2 The proposed Scheme

- 2.1 The proposed Scheme will see all of PLAE's insurance business transferred to SLIntl, subject to the approval of the Court. Subject to satisfying the necessary pre-conditions as set out in the proposed Scheme, the Transferring Policies are scheduled to be transferred in their entirety on the Effective Date of the Scheme to SLIntl. SLIntl will then become the insurer of those contracts on and from the Effective Date (with the Transferring Policyholders acquiring the same contractual rights with SLIntl as they previously had with PLAE).

Previous Schemes of Transfer that are relevant to the proposed Scheme

- 2.2 In early 2023 the Phoenix Group transferred all of the EEA business held in its UK subsidiaries, namely Phoenix Life Limited and ReAssure Life Limited, into PLAE (the "**2022 Scheme**"). PLAE holds no other long-term business other than that transferred under the 2022 Scheme. The 2022 Scheme was in response to the UK's decision to leave the European Union following a referendum in 2016. The details of the 2022 Scheme and other relevant previous schemes of transfer (including a separate transfer into SLIntl relating to Brexit) within the Phoenix Group as they pertain to the proposed Scheme are discussed in my full Independent Actuary's Report.

Consideration payment for the portfolio

- 2.3 SLIntl will receive a total payment (as an asset transfer plus the value derived from the novation of reinsurance treaties) from PLAE equal to the value of the liabilities transferred plus an additional amount to represent the cost of holding regulatory capital (as an authorised life insurance company) and to reflect a margin for a commercial arms-length transaction for the business. The calculation will be based on the Effective Date of the Scheme. The formulaic approach and details are defined in the Scheme.

Unit-Linked Funds

- 2.4 The Scheme provides for SLIntl to establish unit-linked funds that mirror those within PLAE. The policies that invest in the PLAE unit-linked funds will receive the same number and classes of units in the unit-linked funds of SLIntl as they held in the unit-linked funds of PLAE prior to the Effective Date. The Scheme does not make any change to the terms and conditions of the unit-linked policies and will not change the arrangements with third parties relating to the investment, management and pricing of unit-linked funds or the associated costs. The Transferring Policies will remain in assets invested in the market and will not be “out of the market” for any period of time as a result of the transfer.

With-Profits Funds

- 2.5 The Scheme provides for SLIntl to establish with-profits funds that mirror those within PLAE. The management of the with-profits funds, the investment approach and bonus philosophy, and the application of discretion will be the same as currently applied by PLAE.

Non-Profit Fund

- 2.6 The Scheme provides for SLIntl to accept the transfer of all other PLAE policies not linked to unit-linked funds or with-profits funds. These include (for example) annuity in payment contracts and protection (including life cover and critical illness) contracts. SLIntl will manage these policies within the non-profit fund in SLIntl.

SLIntl’s rights in relation to Transferring Policies (if the Scheme is approved)

- 2.7 The proposed Scheme provides that SLIntl may exercise such discretions under the Transferring Policies as are available to be exercised by it under the terms and conditions of those Transferring Policies in accordance with any principles which are, for the time being, generally applied in PLAE in relation to such business.

Costs of the proposed Scheme

- 2.8 PLAE and SLIntl will share (in an agreed proportion) the costs and expenses associated with preparing and implementing the proposed Scheme. No costs or expenses will be borne directly by any of the policyholders of either of the Companies as the shareholders of the Companies effectively cover all costs.

Consequences of the Scheme not being approved

- 2.9 If the proposed Scheme is not approved by the Court, or if the proposed Scheme is not presented at the Sanctions Hearing for approval (scheduled for late in 2024), then PLAE and SLIntl will continue to operate as two separate authorised life companies in Ireland as is currently the case. However, the synergies and efficiencies envisaged under the proposed Scheme would not be achieved.

3 My approach to assessing the proposed Scheme

- 3.1 My assessment is conducted within the context of the proposed Scheme, and only the proposed Scheme, and considers its likely effects on the Transferring Policyholders, and existing (pre-Effective Date) policyholders of SLIntl (“**SLIntl’s existing policyholders**”). It is not within my remit to consider possible alternative schemes or to form a view as to whether or not this is the best possible scheme.
- 3.2 My assessment of the impact of the implementation of the proposed Scheme on the various affected policies is ultimately a matter of expert judgement regarding the likelihood and impact of future possible events. Given the inherent uncertainty over the outcome of such future events and that the effects may differ across different groups of policies, it is not possible to be certain of the effect on the policies.
- 3.3 A scheme may have both positive and negative effects on a group of policies and the existence of detrimental effects should not necessarily imply that the Court should reject a scheme as the positive effects may outweigh the negative effects or the negative effects may be very small.
- 3.4 In order to acknowledge this inherent uncertainty, and to be consistent with normal practice in these matters, the conclusions of the Independent Actuary in relation to transfers of long-term insurance business are usually framed using a materiality threshold. If the potential impact under consideration is very unlikely to happen and does not have a significant impact or is likely to happen but has a very small impact, then it is not considered to have a material effect on the policies.
- 3.5 The assessment of materiality will also take into account the nature of the potential impact so that, for example, the materiality threshold for a change that could have a direct financial impact on policyholders’ benefits is likely to be lower than the materiality threshold for a change that does not have a direct financial impact.

Policyholder groupings

- 3.6 I considered the implications of the proposed Scheme separately for the following groups - the Transferring Policyholders and SLIntl’s existing policyholders.

Key assumptions

- 3.7 There are certain assumptions that I have made when assessing and reaching my conclusions on the proposed Scheme and which I summarise in my full Independent Actuary’s Report. I have disclosed and discussed my assumptions with the Companies, and they have not raised any concerns or objections. However, if any of these assumptions are incorrect, it is possible that my conclusions on the proposed Scheme could change as a result.

My approach to assessing the proposed Scheme

- 3.8 The conditions to be met by the proposed Scheme are:
- that the security of policyholders’ benefits will not be materially adversely affected.
 - that the proposed Scheme treats policyholders fairly and will not materially adversely affect their reasonable expectations.
 - that the standards of administration, service, management and governance that will apply to either of the groups of policyholders described in paragraph 3.6 above will not be materially adversely affected.
- 3.9 These issues are discussed in my full Independent Actuary’s Report.

4 Assessment of the proposed Scheme: Security of Benefits

- 4.1 I have considered a number of factors including the risk profiles of the two Companies and the outlook for their respective current and future solvency development (including consideration of their business plans).
- 4.2 At a high level, the two Companies share many similarities, which makes the assessment of the implications for the Transferring Policyholders more straightforward than might otherwise be the case and also helps to focus on the areas of difference (which are of particular importance to the Transferring Policyholders). The points of similarity include:
- Both are domiciled in Ireland and subject to the same regulations and the same supervisory regime.
 - Both have a common ultimate shareholder – Phoenix Group Holdings plc.
 - Both are currently authorised to write with-profits, unit-linked and non-linked protection business in the Irish and other markets.
 - Both employ similar risk management tools and techniques, including reliance on reinsurance as a risk mitigant.
 - The Companies have overlapping service providers for policy administration, claims management and investment management services (i.e. both Companies are using group services companies and similar external service providers).
- 4.3 There are also some differences, however, including (but not limited to):
- PLAE is a recently authorised life insurance entity, commencing with the transfer of all the inforce business into PLAE on 1 January 2023, whereas SLIntl is already very well-established as a life company.
 - SLIntl is of a much larger scale than PLAE, and SLIntl is open to new business, whereas PLAE is closed to new business.
 - PLAE has policyholders that were issued policies in Ireland, Germany, Iceland, Norway and Sweden. SLINTL has policyholders that were issued policies in Ireland, Germany, the UK and Austria.

Solvency

- 4.4 I note that, as at both 31 December 2022 and 31 December 2023, both Companies had available capital resources in excess of both the regulatory minimum and their respective target levels as per their respective capital management policies.
- 4.5 The solvency position of both Companies following the transfer is assessed in my full Independent Actuary's Report. This shows the Transferring Policyholders will become part of a larger life insurance company which has a solvency position comfortably above the minimum requirement for authorised life companies and above the target level set by SLIntl's capital policy.
- 4.6 Immediately following the Effective Date, PLAE would still retain approximately €160m of non-transferred assets which is more than adequate to meet any non-transferred short-term liabilities (if any should exist). Ultimately (on completion of the proposed transfer) it is planned that the assets of PLAE will be returned to the shareholder, and PLAE would be liquidated.
- 4.7 I have also reviewed confidential internal documents and have confirmed the projected position for both Companies (into 2024 and beyond) shows that if the proposed Scheme did not occur, both are expected to have available capital resources in excess of both the regulatory minimum and the target level as per their

respective capital management policies for the foreseeable future (i.e. five years as used as the business planning horizon for the Companies).

- 4.8 I have also considered the outlook for the future solvency position of the Companies after the proposed transfer. If the proposed Scheme is approved, the outlook for SLIntl's solvency position is not materially impacted by the Transferring Policies, and PLAE would have a material residual Own Funds (i.e. an excess of assets over any liabilities), and with no policyholder liabilities.

Risk profiles and risk management

- 4.9 In my full Independent Actuary's Report, I summarise the key risks for both PLAE and SLIntl, based on the composition of the solvency capital requirement and commentary based on my review of their risk management reports. In summary, the two companies are exposed to broadly similar types of risk.
- 4.10 The Transferring Policyholders will be moving from an insurer within which the main risk exposures are currently longevity risk and expense risk, to one with exposure to a similar range of risks but also including lapse risk, equity risk and a higher level of counterparty default risk (relative to PLAE). However, the Transferring Policies will benefit from the risk diversification¹ effect of having a larger portfolio of insurance business with a wider range of associated risk exposures. The Transferring Policyholders will also move from a company with an expense risk relating to fixed cost overheads on a declining number of policies over time, to a company that is open to new business with more long-term certainty over the strategic future of their provider, and better economies of scale to support ongoing provision of services. Following the proposed transfer, the Transferring Policies would be under the oversight of a single SLIntl management team focussed on the interests of all the Phoenix Group's non-UK European operations.
- 4.11 Both companies adopt very similar approaches in terms of risk management policies, frameworks, oversight and governance (as is to be expected as they are both subject to the same regulatory and supervisory regime in this regard).
- 4.12 In terms of risk mitigants, both companies make substantial use of reinsurance, particularly to other Phoenix Group companies. The current reinsurance arrangements of PLAE will be novated to SLIntl under various novation agreements, on the Effective Date, in accordance with the terms and conditions of the novation agreements. This gives continuity to the arrangements for Transferring Policyholders if the proposed Scheme is approved.
- 4.13 Having reviewed the relevant documentation provided to me, and based on my experience of insurance risk management, I am satisfied that both companies' risk profiles and risk management frameworks are sufficiently similar as to give no cause for concern that there is any material impact on the security of benefits of the Transferring Policyholders or the SLIntl existing policyholders.

Capital management policies

- 4.14 Both companies aim to hold similar levels of explicit capital buffers in excess of regulatory requirements. I have reviewed the basis on which these buffers have been calculated and am satisfied that it is reasonable and that the levels of capital buffers seek to give comparable probabilities that either PLAE or SLIntl breach the solvency capital requirement.

¹ "Diversification" refers to a situation where an insurer is exposed to a number of unrelated/unconnected risks, which means that they are less likely to be materially affected by the manifestation of any single risk. By contrast, an insurer with a small number of risks is more likely to be materially affected by the manifestation of a single risk, all other things being equal. The "diversification benefit" is an adjustment to allow for this issue.

- 4.15 Having examined the Companies' respective capital management policies (particularly with the Transferring Policyholders in mind given the larger scale of SLIntl), I am satisfied that SLIntl's policy is comparable to PLAE's in terms of the protection that it affords to policyholders.

Business model sustainability

- 4.16 The UK's exit from the European Union (Brexit) effectively necessitated EU insurance business being administered in the EU. PLAE was established in Ireland as a result of this requirement. PLAE is closed to new business and will reduce in scale over time as the number of policyholders and inforce insurance business declines. Ultimately this gives increasing inefficiency (and increased costs) as there are material fixed costs associated with running and maintaining a life insurance entity. The sustainability of PLAE ultimately depends on addressing this inefficiency.
- 4.17 I do not see the proposed transfer resulting in any material adverse implications for the Transferring Policyholders – effectively, they will be integrated into a larger, well-established entity (SLIntl) that is open to new business provides more long-term certainty of the future of their provider, and better economies of scale to support ongoing provision of services, under the oversight of a single management team focussed across the interests of all the group's non-UK European operations.

Recovery and resolution options

- 4.18 Under published CBI guidance, Irish insurers are required to develop pre-emptive recovery plans within the overall risk management system. These are aimed at ensuring that insurers have a good understanding of the circumstances that could adversely affect their business to the extent that it becomes necessary to implement a recovery plan, as well as the options available in those situations. These are confidential internal documents.
- 4.19 Both companies' pre-emptive recovery plans include a reliance on Phoenix Group Holdings plc as the ultimate shareholder. Both Companies are regulated in Ireland, so they have the same regulatory environment and requirements (in terms of any recovery situation). Overall, the proposed Scheme does not materially impact the recovery options available or the effect of any recovery plans.
- 4.20 Insurance company resolution refers to the actions to be taken (by the supervisory authorities) in situations where recovery plans have failed, and all recovery options have been exhausted. In terms of resolution, the options available to both firms are the same.

Parental support

- 4.21 PLAE and SLIntl are capitalised and managed to be self-sufficient on a standalone basis, without needing recourse to their parent company (except potentially to fund agreed acquisitions or other similar transactions). Nevertheless, both Companies benefit from the continued support of their respective parent undertakings, in particular through potential access to capital if required (noting that, in both cases, such capital support may or may not actually be forthcoming depending on the circumstances).
- 4.22 Both PLAE and SLIntl rely on internal reinsurance with other subsidiaries in the Phoenix Group, and these in turn also rely on the Phoenix Group for overall support in their ongoing management and operation. These reliances are interconnected – any risks arising from internal reinsurance to either the cedant or reinsurer are supported by the Phoenix Group.
- 4.23 In my view the proposed transfer will not change the nature, character or likelihood of parental support available to either group of policyholders.

Summary & Conclusions – Security of Benefits

- 4.24 On the basis of the information provided to me and having considered the alternative scenario of the transfer not taking place, I am satisfied that the proposed Scheme will not result in a material adverse impact on the security of policyholders' benefits in the case of the Transferring Policyholders, or SLIntl's existing policyholders.

5 Assessment of the proposed Scheme: Fair treatment

- 5.1 I must also consider whether the proposed Scheme treats policyholders fairly and consider the effect of the proposed Scheme on policyholders' reasonable expectations. I considered a range factors and issues relating to fair treatment in my full Independent Actuary's Report – and I have summarised the key issues below.

Contractual obligations

- 5.2 The Transferring Policyholders' contractual terms and conditions will not change as a consequence of the proposed Scheme. Their benefits (in terms of surrender values or claim amounts) will not change.
- 5.3 There will be no change arising from the proposed Scheme to the terms and conditions of the policies of SLIntl's existing policyholders. I have been advised that no adverse tax consequences are foreseen and there will be no change to the administration and customer service arrangements.

Tax treatment of premiums and benefits

- 5.4 Both PLAE and SLIntl have availed of external tax advice to review the proposed Scheme from the perspective of the tax implications (if any) on the Transferring Policies. This advice has concluded that the implementation of the proposed Scheme is not expected to have any adverse tax consequences for the Transferring Policyholders, or for SLIntl's existing policyholders.
- 5.5 The Scheme states that any tax liabilities that crystallise as a result of the transfer of the policyholders' assets will not be borne by the SLIntl with-profits funds (i.e. not borne by policyholders).

Exercise of discretion

- 5.6 I have been informed by SLIntl that it does not propose to alter the manner in which discretion will be exercised in relation to the Transferring Policies, nor does it propose to take discretionary measures that would be substantially inconsistent with current PLAE practice.
- 5.7 I have reviewed the mechanisms and structures outlined in the Scheme for the transfer of the unit-linked funds and have not identified any instances in which I felt that any Transferring Policyholder would be materially adversely impacted due to the proposed Scheme. The Scheme seeks to identically replicate the mechanisms in SLIntl that currently exist in PLAE.
- 5.8 The management of the with-profits business in both Companies includes discretion in how with-profits bonuses are declared to policyholders. There is nothing in the Scheme that proposes to change how this discretion is applied.
- 5.9 PLAE has a derogation from the CBI for it to publish With-Profits Operating Principles (“WPOP”) documents in Ireland, on the grounds that these would be substantially identical to the Principles and Practices of Financial Management (“PPFM”) published by the corresponding Phoenix Life Limited funds in the UK. Whilst not a specific feature of the Scheme, SLIntl is applying to the CBI for the existing WPOP derogation granted to PLAE to be carried over to SLIntl following the transfer. If this derogation is approved, then SLIntl would continue to maintain the WPOP documents in respect of its existing funds prior to the transfer;

and look through to the Phoenix Life Limited PPFM for equivalent material for the funds transferred from PLAE.

- 5.10 I am satisfied that there is no reason to believe that the Transferring Policyholders will be materially adversely affected by the way in which SLIntl may exercise its discretion in respect of aspects of the terms and conditions of the Transferring Policies post-transfer, compared to how PLAE can currently exercise its discretion.

Customer service

- 5.11 Customer service and policy administration services in relation to the Transferring Policies are already provided on an outsourced basis to PLAE by Phoenix Group services companies. SLIntl has stated its intention to continue these arrangements post-transfer so there will be no change to the customer service and policy administration arrangements for the Transferring Policyholders as a result of the proposed transfer.
- 5.12 Given that there will be minimal disruption to existing policy administration and customer service management arrangements in relation to the Transferring Policies, I do not believe that there will be any adverse impact to the service levels experienced by the Transferring Policyholders.
- 5.13 I have reviewed information provided to me by SLIntl concerning its resource plans in relation to governance and oversight of these activities post-transfer and have not identified any cause for concern.
- 5.14 I am satisfied that there is no reason to believe that the service standards experienced by the Transferring Policies will be materially adversely affected by the proposed Scheme.

Other issues

- 5.15 I am satisfied that the proposals with regard to the costs of the proposed Scheme are fair to the two groups of policyholders.
- 5.16 I am satisfied that the communication plan regarding the Scheme is fair and reasonable.

Summary & Conclusions – Fair treatment

- 5.17 I am satisfied that the fair treatment and reasonable expectations of the two groups of policyholders will not be materially adversely affected by the proposed Scheme.

6 Conclusions on the proposed Scheme

- 6.1 In summary, having considered the effects of the proposed Scheme on both the Transferring Policyholders and SLIntl's Existing Policyholders, I am satisfied that the implementation of the proposed Scheme would not have a material adverse effect on:
- the security of benefits of either of these groups of policyholders;
 - the reasonable expectations of either of these groups of policyholders with respect to their benefits; and
 - the standards of administration, service, management and governance that will apply to either of these groups of policyholders.



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