

Transfer Q&As

Proposal to transfer all Standard Life Assurance Limited business to Phoenix Life Limited

For Standard Life International customers

July 2023



About Standard Life UK's planned changes

This document is for all Standard Life International (SL Intl) customers and in particular those with policies which are reinsured to Standard Life Assurance Limited (SLAL) and invested in the SLAL Heritage With-Profits Fund, German With-Profits Fund or German Smoothed Managed With-Profits Fund.

SLAL, part of Phoenix Group, is proposing to transfer its business to Phoenix Life Limited (PLL). For SL Intl customers with a reinsured with-profits policy this means that the business in the SLAL fund which your policy is currently invested in, including your investments, will transfer to new with-profits funds in PLL which are identical to the SLAL funds that they replace.

As a SL Intl customer your policy will remain with SL Intl and will **not** be transferring to PLL. Your policy and your rights and obligations will not be affected by the transfer. It will not change with-profits policy values, guarantee levels or product designs, the with-profits funds' investment strategies or their financial strength.



You'll stay a customer of SL Intl and keep the same benefits

The proposed transfer from SLAL to PLL will not make any change to who your policy is with, your terms and conditions, the value of your policy, your future policy benefits or the way your policy is managed.

You will continue to be a SL Intl customer and SL Intl will still be your policy provider. You will continue to see the same Standard Life brand you know us for and you can contact us in the same way.



Protecting customers' interests

Making sure customers' interests are protected is a key priority for us and the regulators (the Central Bank of Ireland (CBI), the Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA)). A rigorous process is being followed, which includes a detailed explanation of what is happening, appointing an Independent Expert to produce a report, consulting with the regulators and asking the High Court in London and the Court of Session in Edinburgh for approval. This process is designed to ensure that customers are treated fairly and not materially adversely affected by the transfer.

About this document

We've put this document together to help provide more details on SLAL's proposals and what it means for SL Intl customers. We've also shared answers to questions you might have. If the answer to your question is not here, then get in touch with us on the numbers below and we'll be happy to talk.

Call us on:

Customers in Ireland: (01) 639 7000
Customers in Germany/Austria: +49 69 665 722 271

About Standard Life UK's planned changes (continued)

Please note there will be a charge for calls to these numbers.

Some key phrases and terms

We've pulled together a list of some key phrases and terms which are used in this document:

- 1. 2019 Scheme:** this is also known as the Brexit Scheme and refers to the insurance business transfer of SLAL's European business to SL Intl. This took place to manage the consequences of the UK's withdrawal from the EU.
- 2. Court of Session:** this refers to the Court of Session in Edinburgh, which was required to approve the 2019 Scheme and is required to approve any changes made to it.
- 3. Proposed Variation to the 2019 Scheme:** this means the proposed changes to the 2019 Scheme.
- 4. 2023 Proposed Scheme:** this refers to the proposed transfer of business from, among other companies, SLAL to PLL.



In his report, the Independent Expert concludes that the transfer of SLAL's business to PLL and **the Proposed Variation to the 2019 Scheme** will not have a material adverse effect on SL Intl customers; the reasonable expectations of SL Intl customers with respect to their benefits; or the standards of administration, service, management and governance applicable to the SL Intl policies. He has also concluded that the **Proposed Variation to the 2019 Scheme** will have no adverse material impact on the reinsurance arrangements.

This conclusion is set out in the Independent Expert's report which is available at:

standardlife.de/ukbusinesstransfer or
standardlife.at/ukbusinesstransfer or
standardlife.ie/ukbusinesstransfer.



About Standard Life UK's planned changes (continued)

Background

In 2018 SL Intl and SLAL became part of Phoenix Group.

In 2019, to manage the consequences of the UK's withdrawal from the EU ('Brexit'), SLAL, a UK registered company, transferred its European business to SL Intl. This is referred to as the **2019 Scheme**. To ensure that customer interests were protected a rigorous process was followed, which included approval from the Court of Session.

The **2019 Scheme** included the immediate reinsurance back to SLAL of the transferred business written or invested in the Heritage With-Profits Fund, the German With-Profits Fund and the German Smoothed Managed With-Profits Fund. This was done to make sure European customers could continue to participate in these funds.

The proposal

SLAL now plans to transfer all its business (including the reinsurance of the SL Intl policies and the with-profits funds) to PLL, which is another Phoenix Group company. At the same time Standard Life Pension Funds Limited (SLPF) and Phoenix Life Assurance Limited (PLAL) will also transfer their business to PLL. The terms and detail of the transfer will be captured in a legal document, which we refer to as the **2023 Proposed Scheme**.

The **2023 Proposed Scheme** also outlines the plan to set up identical replacements in PLL for the:

- Heritage With-Profits Fund,
- German With-Profits Fund and
- German Smoothed Managed With-Profits Fund.

These funds will be managed in the same way as the existing funds.

What does this mean for SL Intl customers?

Part of the **2023 Proposed Scheme** will involve transferring SLAL's rights and obligations under the **2019 Scheme** to PLL. This is to make sure that the protection provided to SL Intl under the **2019 Scheme** reinsurance and under the **2019 Scheme** itself can continue as before. This means that SLAL and SL Intl are going to apply to the Court of Session for its approval to amend the **2019 Scheme**. We refer to this as the **Proposed Variation to the 2019 Scheme** and we need to let you know about this. It will result in SLAL's continuing rights and obligations under the **2019 Scheme** being assumed by PLL. Amongst other things, this will allow the transfer of the **2019 Scheme** reinsurance from SLAL to PLL to happen.

As a SL Intl customer your policy will remain with SL Intl and will **not** be transferring to PLL. Your policy and your rights and obligations will not be affected by the transfer. What will be transferring is the reinsurance from SL Intl to SLAL. This will be transferred, along with the other business in SLAL. All the business in SLAL's with-profits funds will transfer into newly established with-profits funds in PLL which will be identical to, and managed in the same way as, the SLAL with-profits funds that they replace.

To reflect these changes, we will also be updating the With-Profits Operating Principles which govern how Standard Life International's with-profits business is managed.



We've pulled together a list of Questions and Answers on the following pages, which we think SL Intl customers may ask. If the answer to your question is not here, then get in touch with us on the numbers below and we'll be happy to help.

Call us on:

Customers in Ireland: (01) 639 7000
Customers in Germany/Austria: +49 69 665 722 271

Please note there will be a charge for calls to these numbers.

Your questions answered

About the transfers

1. Why is the transfer of SLAL's business to PLL happening?

SLAL has been part of Phoenix Group since 2018. 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 Phoenix Group's life insurance companies.

2. What is the 2019 Scheme and why is it important to the 2023 Proposed Scheme?

In 2019, SLAL transferred its European business to SL Intl via the **2019 Scheme**. The reason for the **2019 Scheme** was to provide certainty and continuity of service for European customers because it was considered unlikely that SLAL could continue to operate its European business with the same structure after Brexit.

The **2019 Scheme**, which is still in force, was approved by the Court of Session and one of its terms was that any changes to it must be approved by the Court of Session. The proposal to transfer SLAL's rights and obligations under the **2019 Scheme** to PLL means a change is required and so we must get the Court of Session's approval.

3. Who is Phoenix Group?

Phoenix Group is the UK's largest long-term savings and retirement business. The Group is home to a number of market leading brands, one of which is Standard Life. Other pensions, savings and life insurance brands in the group include Sun Life, ReAssure and Phoenix Life.



c.12 million customers



c.£259bn assets under administration



Over 240 years experience

4. How long has SL Intl been part of Phoenix Group?

SL Intl has been part of Phoenix Group since 2018. It has customers in UK and Europe and continues to operate as a successful business using the well-known Standard Life brand.



Your questions answered (continued)

Changes you can expect

1. What changes are you making to the 2019 Scheme and what other changes might take place?

a) Replacement of SLAL with PLL:

To enable the **2023 Proposed Scheme** to take effect, the **2019 Scheme** needs to be amended. The main change being made to the **2019 Scheme** is to transfer SLAL's rights and obligations under it to PLL. PLL will also provide an undertaking to the Court of Session that it will assume all the continuing rights and obligations of SLAL under the **2019 Scheme** and will agree to be bound by Court of Session in relation to this undertaking.

The changes being made to the **2019 Scheme** will only go ahead if the High Court in London approves the 2023 Proposed Scheme and the Court of Session gives its approval to changes to existing schemes, which includes the Proposed Variation. If all of this happens, we expect both the **2023 Proposed Scheme** and the **Proposed Variation to the 2019 Scheme** to take place on 27 October 2023.

b) Reinsurance:

A key part of the **2019 Scheme** is the reinsurance back to SLAL of SL Intl business written or invested in with-profits funds. This reinsurance arrangement aims to maintain, to the extent possible, the position of customers who had a policy that transferred under the **2019 Scheme**. As part of the changes under the **2023 Proposed Scheme**, PLL will become the reinsurer under this arrangement in place of SLAL. There will be no material changes to the terms of the reinsurance arrangements as a result of the **Proposed Variation to the 2019 Scheme** or to the operation of the with-profits funds (other than their replacement with identical funds in PLL) and so the impact on customers will be minimal.

These reinsurance arrangements are supported by a floating charge and a fixed charge over assets of SLAL, which have been put in place to provide SL Intl with an additional level of security over assets backing SLAL's obligations to SL Intl under the reinsurance. The fixed charge will remain the same and be over the same assets, except that references to SLAL will be replaced with references to PLL. The floating charge will be replaced with a new floating charge granted by PLL over its assets to SL Intl and will be on substantially the same terms as the previous charge that SLAL provided.

c) Deed Polls:

As part of the **2019 Scheme**, SL Intl entered into three deed polls, supported by an undertaking given to the Court of Session. The Deed Polls are legal documents, subject to Irish law, which set out SL Intl's obligations to its customers. They are distinct from any existing contractual obligations by SL Intl to its customers and can be enforced directly by any beneficiary, including SL Intl customers.

Separate deed polls were created to cover policies invested in the respective with-profits fund within the 2019 Scheme. These deed polls provide important protection to SL Intl customers invested in the with-profits funds, as they ensure that these customers remain in the same economic position as they would have been if they remained in SLAL. This is achieved through a requirement for SL Intl to pay with-profits customers benefits that are equal to what they would have received had they remained customers of SLAL.

The deed polls will be amended and supplemented by a new undertaking that SL Intl will provide to the Court of Session to reflect the fact that SLAL has transferred its business to PLL. As part of this, the commitment to providing a return on a notional SLAL policy will be replaced with a commitment to providing a return on an equivalent notional PLL policy, so that the important protection benefits provided by the Deed Polls continue to apply for SL Intl customers.

In order to make changes to the Deed Polls, SLAL and SL Intl need to follow a rigorous process. The SL Intl board of directors has sought appropriate actuarial advice on the **Proposed Variation to the 2019 Scheme** to consider whether it is appropriate to make the changes desired. SL Intl has notified the Irish regulator, the CBI of the **Proposed Variation to the 2019 Scheme** and a notice providing information on the proposed changes to the Deed Polls will be advertised in specified publications.

2. What is the 2023 Proposed Scheme?

SLAL, SLPF and PLAL are all planning to transfer their business to PLL. In practice, this will include SLAL's rights and obligations under the 2019 Scheme. Phoenix Group is committed to being a strong and sustainable business to meet the needs of its customers and stakeholders. Simplifying the structure of its businesses will help ensure it operates efficiently.

If you would like to know more about the 2023 Proposed Scheme, a website with lots of information, including a detailed guide setting out SLAL's proposals can be found at standardlife.co.uk/businessstransfer

Your questions answered (continued)

Understanding the process we are following

1. How are my interests being protected?

Although your policy is not transferring, as explained on page 4, the reinsurance arrangements for your policy are. Customers are protected by a rigorous legal process which includes consultation with the CBI, PRA and FCA; the appointment of an Independent Expert who has prepared a report on the **2023 Proposed Scheme** and the **Proposed Variation to the 2019 Scheme**, more information for which can be found on our website at standardlife.de/ukbusinessstransfer or standardlife.at/ukbusinessstransfer or standardlife.ie/ukbusinessstransfer; and the approval of the **Proposed Variation to the 2019 Schemes** by the Court of Session.

SLAL will only transfer its business to PLL if the High Court approves it and the Court of Session gives its approval to changes to existing schemes, which includes the **Proposed Variation to the 2019 Scheme**. If all of this happens, we expect both the transfer and the **Proposed Variation to the 2019 Scheme** to take place on 27 October 2023. For accounting and financial reporting purposes, the transfer and amendments will be treated as effective from 30 September 2023.

If you would like to know more about the **2023 Proposed Scheme**, a website with lots of information, including a detailed guide setting out SLAL's proposals can be found at standardlife.co.uk/businessstransfer

2. Why are the courts involved?

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. To enable the transfer to take effect it is also necessary for the Court of Session to approve changes to existing schemes, which includes the **Proposed Variation to the 2019 Scheme**. The transfer will not go ahead without that approval.

The **2019 Scheme**, which is still in force, was approved by the Court of Session. One of the terms of the **2019 Scheme** was that any changes to it must be approved by the Court of Session. As we are proposing to transfer SLAL's rights and obligations under the **2019 Scheme** to PLL, we are making changes and so we must get the Court of Session's approval.

3. Why are you consulting with regulators?

We have consulted with the CBI in relation to the **Proposed Variation to the 2019 Scheme**, as SL Intl is incorporated in Ireland and regulated by the CBI. We have also consulted with the PRA and the FCA in relation to the **Proposed Variation to the 2019 Scheme**. As at the date of this guide, none of the regulators has raised any objections.

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

We've appointed an Independent Expert, John Jenkins, who is a Principal (a senior qualified actuary) at Milliman LLP, to consider the **Proposed Variation to the 2019 Scheme** and the impact it might have on customers of SL Intl. The Independent Expert also gives their opinion on the likely effect of the **2023 Proposed Scheme** on all current PLL customers, and customers transferring into PLL.

The Independent Expert has been selected on the basis of his experience and independence. His appointment has been approved by the CBI in relation to the **Proposed Variation to the 2019 Scheme**. His appointment has also been approved by the PRA in consultation with the FCA. The Independent Expert's report has been reviewed by the regulators and will help the Courts to reach their decisions.



In his report, the Independent Expert concludes that the **2023 Proposed Scheme** and the **Proposed Variation to the 2019 Scheme** will not have a material adverse effect on SL Intl customers; the reasonable expectations of SL Intl customers with respect to their benefits; or the standards of administration, service, management and governance applicable to the SL Intl policies. He has also concluded that the **Proposed Variation to the 2019 Scheme** will have no adverse impact on the reinsurance arrangements.

You can find the Independent Expert's summary of his report in the table of documents on our website. You can also see the full report at standardlife.de/ukbusinessstransfer or standardlife.at/ukbusinessstransfer or standardlife.ie/ukbusinessstransfer

As required by the terms of the **2019 Scheme** the Independent Expert has also provided a certificate (which is in Appendix C of his report) that in his opinion the **Proposed Variation to the 2019 Scheme** will not materially and adversely affect the interests (including the security and reasonable expectations) of the SL Intl policyholders whose policies were transferred from SLAL under the **2019 Scheme** or other SLAL policyholders or SL Intl policyholders.

The Independent Expert will also produce a supplementary report for the Courts, in which he'll consider the likely effect of the **2023 Proposed Scheme** and the **Proposed Variation to the 2019 Scheme** 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 Court of Session hearing.

Your questions answered (continued)

5. Can I choose not to support the Proposed Variation to the 2019 Scheme?

The legal process we follow does not allow for individual customers to opt out of the **Proposed Variation to the 2019 Scheme**. However, you are protected by a rigorous legal process, which includes an Independent Expert review, consultation with regulators, and asking the Courts for approval of the **Proposed Variation to the 2019 Scheme** and the **2023 Proposed Scheme** prior to transferring any business.

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

We'll only go ahead with the **Proposed Variation to the 2019 Scheme** if we receive approval from the Court of Session in respect of the **Proposed Variation to the 2019 Scheme** and the High Court, in respect of the **2023 Proposed Scheme**. If either Court does not give its approval neither will go ahead.

7. What if I wish to object to the Proposed Variation to the 2019 Scheme?

There are two routes for objections to the Court of Session. One route is almost always used by a customer or other interested party for this type of process. The other is the formal route that requires written "answers" to be submitted to the Court of Session. It requires a court fee of (we understand) £332 to be paid and we also recommend you take independent legal advice from a solicitor qualified in Scots law. We explain both routes below.

Objection route 1

If you have concerns and believe you may be adversely affected by the **Proposed Variation to the 2019 Scheme** you can raise an objection, which will be presented to the Court of Session. The Court of Session will consider all objections made when reaching its decision. You can raise any objections in the following ways:

- **By calling** or **writing** to us using the contact details set out at question 11 below.
- **By presenting** your objection in person at the Court of Session hearing. Please note that presentation of your objection in person is subject to the agreement of the Judge.

If you intend to come to the Court of Session final hearing it would be helpful (but is not necessary) to give five working days' written notice of your intention to attend and the reasons for any objection to the **Proposed Variation to the 2019 Scheme**. You should send this notice to Standard Life's solicitors in Scotland, Burness Paull LLP at 50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ, quoting reference PM/STA3038/00011 ideally before 8 September 2023.

Objection route 2

There is an alternative, formal route to object under the procedure of the Court of Session which the court requires us to explain. You are entitled to submit directly to the Court of Session what are called formal written "**answers**" to the **Proposed Variation to the 2019 Scheme**. The answers follow the Rules of the Court.

What do I need to know if I want to submit formal 'answers'?

If you would like to submit answers, you must do this before 1 August. Any formal written answers must be submitted within 42 days of the last publication of the applications notice in the press (which took place on 20 June). If you wish to submit written answers after that date, for example because you received the guide after 1 July, then our understanding is that the Court of Session would allow this.

If you want to submit answers, we recommend that you take independent legal advice from a solicitor qualified in Scots law. They'll also be able to tell you about the court fee payable which we understand is £332. The applications that you would 'answer' are included in the list of Important Documents (under the Legal Documents heading) on our websites at standardlife.ie/ukbusinessstransfer, standardlife.de/ukbusinessstransfer and standardlife.at/ukbusinessstransfer. Answers are formal legal responses to each numbered statement contained in the applications. In practice answers are written by lawyers who are qualified in the Court of Session.

Anyone who has submitted answers has the right to attend the hearing at the Court of Session at Parliament House, Parliament Square, Edinburgh, EH1 1RQ to object to the **Proposed Variation to the 2019 Scheme**. You can also ask your legal representative to attend on your behalf.

We expect the final hearing at the Court of Session will take place on 3 October 2023. If this date changes, we'll post the new date on this website.

8. When will the Proposed Variation to the 2019 Scheme take effect?

Subject to the Courts' approval, we expect the **Proposed Variation to the 2019 Scheme**, and the transfer of business under the **2023 Proposed Scheme**, 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.

For accounting and financial reporting purposes, the **2023 Proposed Scheme** and the **Proposed Variation the 2019 Scheme** will be treated as effective from 30 September 2023.

Your questions answered (continued)

9. I am a SL Intl customer whose policy isn't reinsured to SLAL – what does this mean for me?

The Independent Expert has considered the impact of the transfer on SL Intl policyholders whose policies are not reinsured to SLAL and concluded that "I see no material adverse effect on benefit expectations, benefit security, or any other aspect in relation to the SL Intl policyholders whose policies are not reinsured to SLAL".

10. Where can I find out more about the 2023 Proposed Scheme?

If you would like to know more about the 2023 Proposed Scheme, a website with lots of information, including a detailed guide setting out SLAL's proposals can be found at standardlife.co.uk/businessstransfer

11. I still have questions about these proposals/changes – what should I do?

If you have any questions or if we can help you consider any concerns you have about the **Proposed Variation to the 2019 Scheme**, please get in touch by using the details below.

	For customers in Ireland	For customers in Germany/Austria
Call us:	(01) 639 7000	+49 69 665 722 271
	Please note there will be a charge for calls to these numbers.	
Write to us:	Standard Life International DAC 90 St Stephen's Green, Dublin D02 F653	Standard Life Versicherung Zweigniederlassung Deutschland der Standard Life International DAC, Lyoner Straße 9 60528 Frankfurt am Main
Online:	standardlife.ie/ukbusinessstransfer	standardlife.de/ukbusinessstransfer or standardlife.at/ukbusinessstransfer





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

Standard Life International dac is authorised and regulated by the Central Bank of Ireland, deemed authorised by the Prudential Regulation Authority, subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. The nature and extent of consumer protections may differ from those for firms based in the UK. Details of the Temporary Permissions Regime, which allows EEA-based firms to operate in the UK for a limited period while seeking full authorisation, are available on the Financial Conduct Authority's website.

Standard Life International dac is a designated activity company limited by shares and registered in Dublin, Ireland (408507) at 90 St Stephen's Green, Dublin 2, D02 F653. A list of the names and personal details of every director of the company is available for inspection to the public at the company's registered office.

www.standardlife.co.uk

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CSA2677