

IN THE ROYAL COURT OF GUERNSEY

ORDINARY DIVISION

(1) AVIVA PROTECTION UK LIMITED

(the Transferor)

- and -

(2) AVIVA LIFE & PENSIONS UK LIMITED

(the Transferee)

(the Transferor and the Transferee together, the Applicants)

APPLY TO THE COURT

for an Order under section 44 of the Insurance Business (Bailiwick of Guernsey) Law, 2002, as amended (the **Insurance Law**) sanctioning the Guernsey Scheme (as defined herein), under section 48(1)(a) of the Insurance Law providing for the transfer to the Transferee of the property and liabilities of the Transferor as set out in the Guernsey Scheme, and under section 47 of the Insurance Law directing that notice of the making of such Order be published once in La Gazette Officielle, in the Alderney Official Gazette and in the Sark public notice box.

This application relates to the proposed scheme for the transfer of the whole of the business of the Transferor comprising long term business, as defined in Schedule 5 to the Insurance Law, which includes policies issued to Guernsey resident policyholders (the **Guernsey Business**) from the Transferor to the Transferee. The scheme for which sanction is sought from the Royal Court of Guernsey (the **Royal Court**) pursuant to this application is herein referred to as the **Guernsey Scheme**. The Guernsey Scheme is intended to transfer the Guernsey Business on substantially the same terms as the terms of an insurance business transfer scheme (the **UK Scheme**) made pursuant to Part VII of the Financial Services and Markets Act 2000 (**FSMA**), in respect of which the High Court of England and Wales (the **UK Court**) gave a directions order on 16 July 2025 which anticipated that a sanctions hearing would be held in the UK Court on 26 November 2025. The UK Scheme is included as a Schedule to the Guernsey Scheme. There is also a concurrent scheme in Jersey pursuant to the Insurance Business (Jersey) Law 1996 (the **Jersey Scheme**, and together with the Guernsey Scheme and the UK Scheme, the **Schemes**).

1. Interpretation

Words and expressions used in this application, which are defined in the Guernsey Scheme or the UK Scheme, shall bear the same meanings herein (save where they are expressly defined herein) unless the context otherwise requires.

2. Introduction

- 2.1 The Transferor was incorporated as a private limited company in England and Wales in 2007 under the Companies Act 1985 as Fortis Life UK Limited. The Transferor changed its name to Ageas Protect Limited on 4 January 2011, to AIG Life Limited on 7 January 2015 and to its current name on 18 February 2025. The Transferor's registered number is 06367921 and its registered office is Aviva, Wellington Row, York, United Kingdom, YO90 1WR.
- 2.2 The Transferee was incorporated as a private limited company in England and Wales in 1996 under the Companies Act 1985 as FileCo (No.2) Limited. The Transferee changed its name to Norwich Union Life & Pensions Limited on 18 October 1996 and to its current name on 1 June 2009. The registered number of the Transferee is 03253947 and its registered office is Aviva, Wellington Row, York, United Kingdom, YO90 1WR.
- 2.3 As at the date of this application, the Applicants are part of the Aviva Group.
- 2.4 The Transferor is authorised by the PRA with permission under Part 4A of FSMA to effect and carry on long term business in the United Kingdom in classes I (Life and annuity assurance) and IV (Permanent health), as set out in Part II of Schedule 1 to the RAO.
- 2.5 The Transferee is authorised by the PRA with permission under Part 4A of FSMA to effect and carry on long term business in the United Kingdom in classes I (Life and annuity assurance), II (Marriage and birth), III (Linked long-term), IV (Permanent health), VI (Capital redemption contracts), and VII (Pension fund management), as set out in Part II of Schedule 1 to the RAO.

- 2.6 The Applicants each hold appropriate authorisations to carry-on long term-insurance business of the relevant description in the United Kingdom and Jersey. Neither the Transferor nor the Transferee is a licensed insurer in Guernsey but each is permitted as a recognised insurer (as defined in Schedule 5 of the Insurance Law) to conduct long term business in the Bailiwick of Guernsey.
- 2.7 The transfer of the Transferring Business will proceed pursuant to the UK Scheme, subject to approval being granted by the UK Court, and in respect of the Guernsey Business (which is included in the Transferring Business), pursuant to the Guernsey Scheme, which is intended to transfer the Guernsey Business on substantially the same terms as the UK Scheme.
- 2.8 The purpose of the Schemes is to effect the sale and transfer of the Transferring Business from the Transferor to the Transferee, as agreed between them.
- 2.9 Each of the Applicants has agreed to appear by counsel at the hearing of this application to sanction the Guernsey Scheme and undertake to be bound thereby and to execute all such documents and to do all such acts and things as may be necessary or expedient to be executed or done by it for the purposes of giving effect to the Guernsey Scheme.

3. The Guernsey Scheme

- 3.1 The transfer of the Guernsey Business is proposed pursuant to the terms of the Guernsey Scheme in accordance with the provisions of section 44(1) of the Insurance Law, which requires the sanction of the Royal Court to any scheme whereby long term insurance business is transferred:
- (a) if either or both of the transferor and/or the transferee body is/are licensed under the Insurance Law;
 - (b) in respect of any policy comprised in that business written under Guernsey law; or
 - (c) in respect of any policy comprised in that business issued to a person resident in the Bailiwick of Guernsey,
- and in accordance with section 48(1)(a) of the Insurance Law.
- 3.2 Reviews of the Transferor's records carried out on 31 March 2025 identified approximately 2,400 holders of Transferring Guernsey Policies.
- 3.3 The purpose of the Guernsey Scheme is to implement, with the sanction of the Royal Court, the transfer of such of the business, assets and liabilities relating to the Transferring Business that is required to be sanctioned by the Royal Court under section 44(1) of the Insurance Law as a result of the Transferring Business including a number of policies issued to persons resident in the Bailiwick of Guernsey.

- 3.4 The terms of the UK Scheme are annexed to the Guernsey Scheme as a schedule and certain of the terms of the UK Scheme are deemed to be incorporated into the Guernsey Scheme.

4. Licence requirements of the Transferee

- 4.1 The Royal Court's sanction under section 44(1) of the Insurance Law depends upon the Royal Court being satisfied either:

- (a) that the Transferee is licensed under the Insurance Law (section 46(a)(i) of the Insurance Law); or
- (b) that the Transferee is licensed to carry on the relevant insurance business in the country outside the Bailiwick of Guernsey where the Transferee is to undertake its obligations (section 46(a)(ii) of the Insurance Law).

- 4.2 The Transferee has, and will continue to have following the transfer of the Transferring Business, the permissions necessary in the UK to carry on the long term insurance business transferred to it under the Schemes at the time that the Schemes take effect and will undertake its obligations in respect of the Transferring Business in the UK where it is a UK authorised person and accordingly, the requirements of section 46(a)(ii) of the Insurance Law are met.

5. Independent Expert's Main Report

- 5.1 Pursuant to section 45 of the Insurance Law, an independent actuary, Mr. Oliver Gillespie of Milliman LLP, a Fellow of the Institute and Faculty of Actuaries (the **Independent Expert**), has prepared a report in relation to the Schemes dated 1 July 2025 (the **Independent Expert's Main Report**).

- 5.2 In the introduction to the Independent Expert's Main Report, the Independent Expert confirms that:

- (a) the Jersey Scheme and the Guernsey Scheme will provide for the transfer of policies on substantially the same terms as the UK Scheme (at paragraph 1.16);
- (b) references in the Independent Expert's Main Report to the UK Scheme should be taken to include the Jersey Scheme and the Guernsey Scheme unless otherwise stated (at paragraph 1.18); and
- (c) the comments and conclusions in the Independent Expert's Main Report apply to all policyholders of the Transferor and the Transferee irrespective of their place of residence and/or the jurisdiction within which the business is said to be carried on or in which their policy was issued (at paragraph 1.14).

5.3 The Independent Expert makes the conclusion at paragraphs 2.75 and 11.3 of the Independent Expert's Main Report that the implementation of the Schemes would not have a material adverse effect on any of the following:

- (a) the security of the benefits to which policyholders of the Transferor and the Transferee are entitled under the terms and conditions of their policies;
- (b) the reasonable expectations of the policyholders of the Transferor and the Transferee in respect of their benefits; and
- (c) the standards of administration, servicing, management, and governance applicable to the policies of the Transferor and the Transferee.

5.4 *[Additional paragraphs to be included to acknowledge and consider the supplementary report to be issued by the Independent Expert.]*

6. Communication to policyholders and notices

6.1 Section 45(3)(b) of the Insurance Law requires that, except where the Commission otherwise consents, a statement:

- (a) setting out the terms of the Guernsey Scheme;
- (b) containing a summary of the Independent Expert's Main Report sufficient to indicate the opinion of the Independent Expert as to the likely effects of the Guernsey Scheme on the long term policyholders of the Applicants; and
- (c) stating that copies of that report are available for purchase at an address in Guernsey,

(the **Policyholder Communication**) must be sent to:

- (a) each of the long term policyholders of the Applicants; and
- (b) every member of the Applicants.

6.2 On 1 July 2025, pursuant to section 45(3)(b) of the Insurance Law, the Commission granted its consent to dispense with the requirements of section 45(3)(b) that the Policyholder Communication be sent to all long term policyholders and members of the Applicants, on the basis that instead a notification would be sent to each policyholder of the Transferor holding legal title to a policy transferring pursuant to the Guernsey Scheme who as at the date of extraction of data from the Transferor's computerised databases for the purposes of mailing (including following the verification and tracing processes described in paragraph 75 of the first witness statement of Frances Julia Bruce in support of the proceedings before the UK Court in relation to the UK Scheme (the **Transferor's First Witness Statement**)), has a current address in the Bailiwick of Guernsey, other than the policyholders described in

paragraphs 93 to 125 of the Transferor's First Witness Statement (the **Mailed Guernsey Policyholders**).

6.3 Updated documents were provided to the Commission on 9 July 2025 in connection with the application to dispense with the requirements of section 45(3)(b). The Commission confirmed via email on 10 July 2025 that its dispensation still stands following its review of the updated documents.

6.4 The notification comprised of:

- (a) a cover letter or email, in a bespoke variant for Guernsey and Jersey policyholders, which directed Mailed Guernsey Policyholders to specific sections of a standardised transfer guide relevant to them; and
- (b) a standardised transfer guide containing:
 - (i) a section providing full details of the proposed transfer, providing specific information in respect of the Guernsey Scheme, including the date of the proposed sanction hearing, and the process to approve the Guernsey Scheme;
 - (ii) a section about how the transfer will affect the policies currently held by policyholders of both the Transferor and the Transferee;
 - (iii) a section about how Policyholders could object, including that Mailed Guernsey Policyholders have the right to object to the Guernsey Scheme;
 - (iv) a section containing a summary of the terms of the Schemes;
 - (v) a section explaining where more information can be found, including:
 - (1) directing the Mailed Guernsey Policyholders to the Aviva Group's transfer website (www.aviva.co.uk/partvii); and
 - (2) that copies of the proposed application to approve the Guernsey Scheme to be heard by the Royal Court and the Independent Expert's Main Report are available for free at Mourant Ozannes (Guernsey) LLP's offices in Guernsey; and
 - (vi) a section containing a summary of the Independent Expert's Main Report, which applies equally to the Guernsey Scheme.

- 6.5 The notification documents described in paragraph 6.4 above are together the **Mailing Packs**.
- 6.6 The Mailing Packs were accordingly sent to such Mailed Guernsey Policyholders on or before 24 October 2025.
- 6.7 In accordance with the requirements of section 45(3)(a) of the Insurance Law, a notice of this application containing the prescribed information was published in La Gazette Officielle as well as in the Alderney Gazette and the Sark public notice box on two occasions.
- 6.8 In accordance with the requirements of section 45(3)(c) of the Insurance Law, copies of the proposed application, the Independent Expert's Main Report, and the Mailing Packs were served on the Commission.
- 6.9 In accordance with the requirements of section 45(3)(e) of the Insurance Law, copies of the proposed application and the Independent Expert's Main Report have been made available for inspection (and for collection free of charge) at all reasonable times at the offices of Maurant Ozannes (Guernsey) LLP, Royal Chambers, St Julian's Avenue, St Peter Port, Guernsey, GY1 4HP for at least the statutory prescribed period.

Dated this day of 2025

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Chantal Barrett
Advocate for the Applicants