MILLIMAN REPORT

The Part VII Transfer of the business of Aviva Protection UK Limited into Aviva Life & Pensions UK Limited

The summary report of the Independent Expert

17 July 2025

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INTRODUCTION AND THE ROLE OF THE INDEPENDENT EXPERT

1.1 Aviva Protection UK Limited ("**APUK**") and Aviva Life & Pensions UK Limited ("**UKLAP**") are proprietary insurance companies within the Aviva Group, which comprises Aviva plc and all of its subsidiaries. It is proposed to transfer the entire business of APUK to UKLAP in accordance with Part VII of the Financial Services and Markets Act 2000 ("**FSMA**"). I refer to the proposed scheme providing for this transfer as "**the Scheme**" or "**this Scheme**".

1.2 I have been appointed by APUK and UKLAP to report, pursuant to Section 109 of the FSMA, in the capacity of the Independent Expert on the terms of the proposed Scheme. My full report in the capacity of the Independent Expert ("**my Report**") is available on the UKLAP website.

1.3 As the Independent Expert I should consider the effects of the proposed Scheme on policyholders, including on the security of benefits under their policies, their reasonable benefit expectations, and on the standards of service, administration, management and governance applicable.

1.4 I am a Fellow of the Institute and Faculty of Actuaries ("**IFoA**") and a senior partner of Milliman LLP, part of Milliman Inc., a global consulting firm. I have over 30 years' experience in the UK life insurance industry and I have fulfilled the role of Independent Expert in relation to a number of transfers of long-term insurance business that have subsequently been approved by the High Court of Justice, Business and Property Courts of England and Wales, Companies Court. I hold certificates issued by the IFoA enabling me to act as a Chief Actuary and as a With-Profits Actuary, and I am an approved person on the Financial Services Register.

1.5 My appointment as Independent Expert was approved by the Prudential Regulation Authority ("**PRA**"), after consultation with the Financial Conduct Authority ("**FCA**"), and was confirmed in a letter dated 10 January 2025. My terms of reference have been reviewed by the PRA and the FCA.

1.6 I submitted a statement of independence to the PRA and the FCA for review prior to their approval of me as Independent Expert. In summary, I confirm that neither I nor Milliman have or have had any direct or indirect interest in or control of any of UKLAP, APUK or other related firms that could influence my independence. I confirm that my personal interests have not influenced me in reaching the conclusions in my Report.

1.7 My fees will be paid by the Non-Profit Sub-Fund ("**NPSF**") of UKLAP, the parent company of APUK, as described in Section 6 of my Report.

1.8 It is proposed that the transfer of any business carried on in or from within Jersey by APUK, or the transfer of any policies issued by APUK to persons resident in the Bailiwick of Guernsey will be effected through separate schemes (the "**Jersey Scheme**" and "**Guernsey Scheme**", respectively), which would, pursuant to the relevant local law, transfer such policies on substantially the same terms as the proposed Scheme and are expected to have the same transfer date as the proposed Scheme. The Jersey Scheme and Guernsey Scheme would proceed only if the High Court in the UK were to sanction the proposed Scheme. References to the Scheme throughout my Report should be taken to include the Jersey Scheme and the Guernsey Scheme unless otherwise stated. My Report and its conclusions apply equally to the Jersey Scheme and the Guernsey Scheme.

BACKGROUND INFORMATION ON THE AVIVA GROUP

1.9 Aviva Group is a large international insurance group and it can trace its history back several centuries, through a series of mergers and acquisitions of various mutual and proprietary companies across the life, health and general insurance and pensions sectors. In the UK, Aviva plc's key propositions include Insurance, Wealth & Retirement ("**IWR**"), General Insurance and asset management services provided through Aviva Investors Holdings Limited, an entity within the Aviva Group.

1.10 On 23 December 2024, Aviva Group and Direct Line Group ("**DLG**") announced they had reached an agreement on the terms of Aviva Group's acquisition of DLG, which includes entities that provide general insurance policies to customers. Subsequently, on 10 March 2025, it was announced that the DLG shareholders had accepted the formal offer made by Aviva Group. This acquisition became effective on 1 July 2025.

BACKGROUND INFORMATION ON APUK

1.11 In September 2023, Aviva plc announced the acquisition of AIG Life Limited ("**AIG LL**") from Corebridge Financial, Inc. The transaction was subsequently completed on 8 April 2024, with AIG LL becoming a subsidiary of UKLAP. In February 2025, AIG LL was renamed Aviva Protection UK Limited (APUK).

1.12 Following UKLAP's acquisition of APUK, Aviva Group commenced a business plan to integrate APUK into the Aviva Group business, and this proposed Scheme is part of that plan. Various other integration activities either have already been completed or are underway, including in respect of the appetite for risk exposures, reinsurance, administration, policy servicing and governance.

1.13 APUK provides protection insurance, on both an individual and group basis, to residents in the UK, Isle of Man, the Channel Islands and Gibraltar. Individual policies are purchased by individuals to cover themselves and/or their dependents, while group policies are purchased by employers to provide insurance cover for their employees.

1.14 APUK is substantially closed to new business and there are no current plans to launch any new products. Currently, APUK's individual protection business is open to new business via a small number of sales channels (covering all lines of individual protection business of APUK), and APUK plans to close the majority of these sales channels by the end of 2025. APUK's group protection business is closed to new business apart from renewals on existing policies.

1.15 As at 31 December 2024, APUK's long-term business comprised approximately 1.3 million individual protection policies, and approximately 15,000 group protection policies covering approximately 1.2 million members. If the proposed Scheme were to be implemented, then the entire business of APUK would be transferred into UKLAP.

1.16 APUK calculates its Solvency Capital Requirement ("**SCR**") using the Standard Formula under the UK version of the Solvency II regulations ("**Solvency UK**")[1]. As at 31 December 2024, APUK had a Solvency Ratio (the ratio of Own Funds to SCR) of 170%.

1.17 Within its risk management framework, APUK defines its "**Target Capital**" as the level of capital required in normal times to cover solvency requirements over a medium-term horizon. The Target Capital is expressed as a percentage of SCR, and is calibrated to ensure APUK can meet its SCR in a 1-in-10-year stress scenario. APUK also has a Liquidity Risk Appetite ("**LRA**") that is set to maintain defined target liquid asset levels under both normal and stressed conditions, such that APUK maintains sufficient operational liquidity to meet payments such as policyholder claims and operational costs as they become due.

1.18 As at 31 December 2024, APUK was in compliance with its LRA, though its Solvency Ratio of 170% was below its Target Capital ratio, although still within its risk appetite. This means that no significant measures were required to restore its Solvency Ratio to the Target Capital level. This lower solvency was predominantly driven by the termination of certain reinsurance agreements between APUK (then AIG LL) and American International Reinsurance Company Limited ("**AIRCO**") described below. Capital injections have been provided from UKLAP to APUK to address the fall in the Solvency Ratio.

1.19 APUK has reinsurance agreements with a variety of external reinsurers. These arrangements reduce APUK's exposure to mortality and morbidity risk, and reduce balance sheet volatility arising from adverse claims experience. Historically, APUK had further internal (to AIG Group) reinsurance agreements in place with AIRCO but all such reinsurance agreements were terminated following the acquisition of AIG LL by UKLAP.

1.20 Administration and servicing of APUK policies is currently carried out by in-house professionals and Accenture (UK) Limited ("**Accenture**") under an outsourcing agreement. Administration/servicing tasks are contractually split between the in-house team and Accenture, by complexity and/or product type. The general principle for this split is that higher complexity, higher authority tasks are performed by the in-house team.

BACKGROUND INFORMATION ON UKLAP

1.21 UKLAP is the main subsidiary company of Aviva plc that provides life insurance, pensions business and investment products, as part of its IWR proposition. As at 31 December 2024, UKLAP had approximately 17.4 million policies in force, including approximately 3.7 million individual protection policies and approximately 2.8 million group policies (on a policy lives basis, i.e. covered across approximately 10,000 group policies) within the UKLAP NPSF.

1.22 UKLAP has several ring-fenced with-profits funds, in which it manages its with-profits business (as well as some non-profit business). The majority of UKLAP's non-profit business is managed within the NPSF. UKLAP's non-profit business includes a wide range of annuities, unit-linked business and conventional non-profit business, including

[1] Any technical terms, including those in relation to Solvency UK, are defined in the Glossary of Terms in Appendix C of my Report. I set out a general overview of the life insurance market and regulatory environment in the UK in Appendix A of my Report.

(but not limited to) the same product types held in APUK. The business of APUK would be transferring into the NPSF under the proposed Scheme.

1.23 UKLAP calculates its SCR using its PRA-permitted Internal Model. As at 31 December 2024, UKLAP had a Solvency Ratio of 164%.

1.24 UKLAP sets a Solvency Risk Appetite (the "**SRA**") as a threshold for UKLAP's Solvency Ratio, the purpose of which is to manage the risk of breaching its regulatory capital requirements while pursuing strategic business objectives. The SRA is expressed as a percentage of SCR, and is calibrated to ensure that UKLAP could meet its SCR after a 1-in-10-year stress event. As at 31 December 2024, the UKLAP Solvency Ratio was above its SRA.

1.25 UKLAP also has an LRA to ensure there is sufficient operational liquidity to continue to meet payments such as policyholder claims and operational costs under stressed conditions. As at 31 December 2024, UKLAP was in compliance with its LRA.

1.26 UKLAP has a reinsurance agreement in place under which it cedes certain elements of its insurance business to Aviva International Insurance Ltd ("**AII**") on a quota share basis. This agreement is known as the "**AII Reinsurance Treaty**". Under the AII Reinsurance Treaty, UKLAP cedes 30% of the liabilities (net of other external reinsurance) in the NPSF to AII.

THE PROPOSED SCHEME

1.27 If the proposed Scheme were to be implemented, then all of the business of APUK (the "**Transferring Business**"), comprising approximately 2.5 million policies (on a policy lives basis), would be transferred into the UKLAP NPSF. The Transferring Business would therefore have constituted approximately 28% of the policy count of UKLAP's protection business (on a policy lives basis), had the proposed Scheme been implemented as at 31 December 2024.

1.28 The proposed Scheme forms part of a wider programme of activity to integrate APUK into the Aviva Group. This integration would facilitate greater operational and capital efficiencies, as well as reductions in certain expenses, through more efficient financial reporting, governance and administration between APUK and UKLAP.

1.29 The policies included in the Transferring Business are referred to in my Report as the "**Transferring Policies**". The holders of these policies are referred to in my Report as the "**Transferring Policyholders**".

1.30 As set out in the Notice of the proposed Scheme (dated 26 February 2025), the Application is due to be presented to a Judge of the High Court at 7 Rolls Building, Fetter Lane, London EC4A 1NL on 26 November 2025 (the Sanction Hearing).

1.31 Any person (including policyholders or employees of the Companies) who alleges that they would be adversely affected by the implementation of the proposed Scheme has a right to attend the Hearing and express their views, either in person or by a suitably qualified legal representative.

1.32 Any person who alleges that they would be adversely affected by the implementation of the proposed Scheme but does not intend to attend the Hearing may make representations about the Scheme by setting out their reasons why they believe they would be adversely affected and:

- Telephoning APUK or Aviva UK (as appropriate);
- Writing to APUK or Aviva UK (as appropriate) by letter or by email; or
- Writing to Pinsent Masons LLP (the solicitors and external legal advisers of the Companies).

1.33 If approved by the High Court, the proposed Scheme would come into effect on the "**Effective Date**", which is expected to be 31 December 2025.

1.34 The proposed Scheme would also effect the transfer of the current external reinsurance agreements applicable to the Transferring Business from APUK to UKLAP to cover the same business as is covered currently. These agreements would not be extended to cover any of the existing UKLAP business.

1.35 Alongside this transfer of business, APUK and UKLAP intend to implement the following additional changes if (and only if) the proposed Scheme were to be implemented (these additional changes are not part of the Scheme itself):

- The AII Reinsurance Treaty would be extended to cover the Transferring Business once it has been transferred to the NPSF (i.e. the same 30% quota share would apply to the liabilities, net of external reinsurance agreements, from these policies). This would require approval from AII, a process that is expected to be undertaken in the second half of 2025 (ahead of the Effective Date).

- The SCR and Risk Margin of the Transferring Business would be valued for Solvency UK reporting purposes using UKLAP's Internal Model. This process requires notification to the PRA.
- Customer communications would be updated to refer to UKLAP, and customer contact points (e.g. the APUK website) would also be updated to reflect the implementation of the Scheme.

1.36 Various other aspects of the proposed Scheme are covered in Section 6 of my Report.

THE EFFECT OF THE PROPOSED SCHEME ON THE SECURITY OF BENEFITS FOR POLICYHOLDERS

1.37 I have considered the likely effect of the proposed Scheme on the security of benefits for policyholders, which primarily depends upon the financial strength of the relevant company. Figure 1 below shows the pre-Scheme financial position of APUK and UKLAP as at 31 December 2024, and the post-Scheme financial position of UKLAP if the proposed Scheme had been implemented as at 31 December 2024.

FIGURE 1: APUK'S AND UKLAP'S PRE-SCHEME AND UKLAP'S POST-SCHEME BALANCE SHEETS AS AT 31 DECEMBER 2024

(£m)	APUK (PRE-SCHEME)	UKLAP (PRE-SCHEME)	UKLAP (POST-SCHEME)
Own Funds (A)	345	9,087	9,148
SCR (B)	203	5,540	5,515
Excess Own Funds (C = A – B)	142	3,546	3,634
Solvency Ratio (D = A / B)	**170%**	**164%**	**166%**

Source: provided by Aviva plc.

1.38 Figure 1 above shows that, if the proposed Scheme had been implemented on 31 December 2024:

- There would have been a small increase in UKLAP's Solvency Ratio (an increase from 164% pre-Scheme to 166% post-Scheme including the Transferring Business); and
- The Transferring Policies would have been transferred from APUK, with a Solvency Ratio of 170%, to UKLAP, with a Solvency Ratio (post-Scheme) of 166%.

1.39 Furthermore, as at 31 December 2024, APUK's Solvency Ratio was below its Target Capital (though within risk appetite), while UKLAP's Solvency Ratio was above its SRA and would have remained above its SRA if the proposed Scheme had been implemented on 31 December 2024. Both the APUK Target Capital and UKLAP SRA are calibrated to ensure each company could continue to meet its SCR after a 1-in-10-year stress scenario. The Transferring Business would therefore be transferred from a company holding less than the amount needed at the 1-in-10-year level (APUK), to a company holding more than the amount needed (UKLAP). This indicates that the implementation of the proposed Scheme would lead to an expected small increase in the financial strength contributing to the security of the benefits for the Transferring Policies.

1.40 If the proposed Scheme were to be implemented, then the SCR in respect of the Transferring Business would, following a notification to the PRA, be calculated using the UKLAP Internal Model (along with the existing business of UKLAP) rather than using the Standard Formula as currently. I have also considered the impact of this change on the financial security of the Transferring Policies.

1.41 As at 31 December 2024, the SCR for the Transferring Business (i.e. as part of APUK, and calculated under the Standard Formula) was £203 million. If the proposed Scheme had been implemented on 31 December 2024, then the inclusion of the Transferring Business within the NPSF would have increased the SCR of the NPSF (in isolation) by £93 million. The increase of £93 million to the SCR of the NPSF as at 31 December 2024 is not directly comparable to the pre-Scheme standalone SCR of £203 million for the Transferring Business and, in particular, the differences between these figures include:

- An unwind of diversification benefits currently allowed for in the Standard Formula calculation for the standalone Transferring Business as part of APUK.
- A small decrease in the SCR due to the adoption of the UKLAP Internal Model instead of the Standard Formula.

- A small decrease in the SCR due to an increase in the loss absorbing capacity of deferred tax ("**LACDT**"), which offsets an additional deferred tax liability from the increase in Own Funds.
- An additional diversification benefit, as the APUK business would be part of the much larger NPSF within UKLAP, which has a more diverse risk profile than APUK alone.
- An additional reduction as a result of the inclusion of the Transferring Business in the AII Reinsurance Treaty.

1.42 As the parent company of APUK, UKLAP currently holds £118 million of capital in respect of APUK as a subsidiary company as part of its SCR. If the Scheme were to be implemented, the overall impact on UKLAP's SCR would be a reduction of £26 million, as shown in Figure 1 above (allowing for rounding). This net impact is as a result of removing the capital requirement of £118 million of holding APUK as a subsidiary and the increase of the SCR of the NPSF of UKLAP of £93 million as a result of the effects described above.

1.43 Taking account of all of the above, I am satisfied that the calculation of the SCR in respect of the Transferring Business in UKLAP compared with in APUK would not have a material adverse effect on the security of benefits for the Transferring Policies.

1.44 For the existing UKLAP policies, if the proposed Scheme had been implemented on 31 December 2024, it would not have had a material impact on the Solvency Ratio for UKLAP, and UKLAP would have remained comfortably above its SRA. Furthermore, UKLAP is materially larger than APUK, with Solvency UK Own Funds of approximately £9.41 billion as at 31 December 2024 compared to Own Funds of approximately £345 million for APUK. Therefore, the proposed transfer of the APUK business into the UKLAP NPSF would not materially change the risk exposure profile of UKLAP.

1.45 If the proposed Scheme were to be implemented, there would be no business transferred into or out of the with-profits funds of UKLAP and no change in the financial position of those funds. As shown in Figure 1, the implementation of the Scheme (as at 31 December 2024) would have led to a minor increase to UKLAP's Solvency Ratio, and therefore would not materially affect the ability of UKLAP (and the NPSF in particular) to provide capital support to any of the with-profits funds if it were required.

1.46 If the proposed Scheme were to be implemented then the inclusion of the Transferring Business within the AII Reinsurance Treaty would not have a material impact on UKLAP's financial position and, in particular, UKLAP would be compliant with its SRA without this reinsurance being applied to the Transferring Business. As a result, I am satisfied that there is no dependency of the proposed Scheme on the AII Reinsurance Treaty being applied to the Transferring Business.

1.47 I have considered other factors that affect the security of policyholder benefits, including the capital management policies of the Companies, the reinsurance agreements of the Companies, additional support to the Transferring Policies and the risk profile exposure of the Companies. I am satisfied that these factors would not lead to a material adverse impact on the security of policyholder benefits of the Companies under the proposed Scheme.

1.48 Overall, I am satisfied that the implementation of the proposed Scheme would not have a material adverse effect on the security of policyholder benefits under the Transferring Policies from APUK, or under the existing policies of UKLAP.

THE EFFECT OF THE PROPOSED SCHEME ON THE REASONABLE EXPECTATIONS OF POLICYHOLDERS IN RESPECT OF THEIR BENEFITS

1.49 I have considered the impact of the Scheme on the reasonable expectations of all policyholders of APUK and UKLAP in respect of their benefits.

1.50 In respect of the Transferring Policyholders from APUK, the Transferring Policies are not with-profits policies, and are all non-profit protection policies, and so the reasonable expectations of the Transferring Policyholders in respect of their benefits are that:

- Their benefits would be paid out on an eligible claim event (as specified in their policy terms and conditions) during the policy term, at the amount and in the form specified in their policy;
- Policy options and guarantees (as specified in the policy terms and conditions) are honoured, such as guaranteed insurability, would be honoured; and

- Premiums would continue to be payable at the amounts specified in their policy documents, in line with the policy terms and conditions.

1.51 The possible scenarios in which the proposed Scheme would impact these benefit expectations are therefore:

- If the implementation of the proposed Scheme led to a material change in financial security that increased the risk that the benefits under the policies could not be paid when due.

  I have concluded above that the proposed Scheme would not have a material adverse effect on the security of policyholder benefits under the Transferring Policies.
- If policy terms and conditions, options or guarantees were to be changed as a result of the proposed Scheme.

  There would be no changes to these aspects as a result of the implementation of the proposed Scheme.
- If any discretionary element of the policy benefits or premiums were affected by a change in the management of the Transferring Policies.

  I cover this aspect below.

1.52 For non-profit protection policies, these discretionary elements principally relate to claims handling and underwriting, where different standards could impact when a claim is or is not paid, and pricing bases for premiums where these are reviewable.

1.53 As part of the wider integration of APUK into Aviva Group, UKLAP carried out a review of the underwriting practices and processes adopted in APUK. I understand that this process did not identify any material differences in the underwriting practices and processes, or in the practices around the acceptance and payment of claims between APUK and UKLAP. In respect of pricing bases, these can change over time in line with a company's own views of key economic and demographic factors, as well as commercial factors.

1.54 For the avoidance of doubt, these discretionary elements would not be changed by the implementation of the proposed Scheme.

1.55 Taking the above into account, I am satisfied that the implementation of the proposed Scheme would not have a material adverse effect on the reasonable expectations of the Transferring Policyholders in respect of their benefits.

1.56 In respect of the existing UKLAP policyholders, the implementation of the Scheme would not change any of the following:

- The operation of the NPSF, the with-profits funds of UKLAP, or the fund structure of UKLAP;
- The terms and conditions of any policy;
- The charges that apply to any policies, or to the with-profits funds;
- The investments available to unit-linked policyholders;
- The exercise of discretion in respect of the management of the unit-linked funds;
- The rights of the with-profits policies to any future distributions of the estates of the with-profits funds;
- The investment strategies of the NPSF or the with-profits funds;
- The administration or servicing of the policies, including the service-level agreements; or
- The management and governance of the funds, including the exercise of discretion for the with-profits policies such as bonus policies and surrender values.

1.57 The With-Profits Actuary ("**WPA**") of UKLAP has concluded that the with-profits policyholders of UKLAP would not be materially adversely affected by the implementation of the proposed Scheme, and based on the evidence provided, I agree with this conclusion of the WPA of UKLAP.

1.58 Overall, I am satisfied that the implementation of the proposed Scheme would not have a material adverse effect on the reasonable expectations of any policyholders of APUK or UKLAP in respect of their benefits.

THE EFFECT OF THE SCHEME ON THE STANDARDS OF ADMINISTRATION, SERVICING, MANAGEMENT, AND GOVERNANCE APPLICABLE TO THE POLICIES

1.59 If the proposed Scheme were to be implemented, the Transferring Policies would become policies of UKLAP, and the responsibility for the governance and management of these policies would lie directly with the UKLAP Board.

1.60 The implementation of the proposed Scheme would not change the current administration and servicing arrangements for the Transferring Policies and there would be no change to the service-level agreements in place. The oversight and governance of administration and servicing would continue to be carried out by a customer service committee in UKLAP.

1.61 The Chief Actuaries of the Companies have confirmed that the risk profile of the Transferring Business is similar to that of the existing protection policies in UKLAP and there are no new categories of risk in the Transferring Business to which UKLAP is not already exposed. I am satisfied that the UKLAP Board (and the various committees within UKLAP's governance structure) have the relevant experience and expertise in managing the types of business and the risks that make up the Transferring Business. Furthermore, two of the three members of the current APUK Board, including the Chief Actuary of APUK, are now employed by Aviva plc and the Non-Executive Director of APUK is also on the UKLAP Board (and would continue in this role following the implementation of the proposed Scheme).

1.62 Therefore, I am satisfied that UKLAP would retain knowledge of the specific characteristics of the Transferring Business and processes if the proposed Scheme were to be implemented and that, overall, there would be no material adverse impact to the Transferring Policies as a result of being subject to the governance (directly) of UKLAP, rather than of APUK.

1.63 Taking all of the above into account, I am satisfied that if the proposed Scheme were to be implemented, there would not be a material adverse effect on the standards of administration, servicing, management, and governance that would apply to the Transferring Business of APUK or to the existing policies of UKLAP.

THE APPROACH TO COMMUNICATIONS WITH POLICYHOLDERS

1.64 I have considered the proposed communications strategy of APUK and UKLAP, both in relation to the direct communications with the policyholders as well as the further distribution of information in respect of the Scheme.

1.65 In particular, I have considered the relative advantages and disadvantages of the proposal to use email communications relating to the proposed Scheme where customers have expressed such a preference, and I have taken into account the considerations outlined in the FCA's Final Guidance "FG22/1: The FCA's approach to the review of Part VII insurance business transfers" dated February 2022in this respect. Overall, I am satisfied that APUK's proposed strategy of sending email communications to those customers who have stated such a preference is appropriate.

1.66 I have considered the structure and content of the direct communications with the policyholders.

1.67 I have also considered the dispensations being sought by APUK in relation to communications to certain classes of APUK policyholders and other related parties, as well as dispensations sought by UKLAP in relation to communications with UKLAP policyholders.

1.68 Overall, I am satisfied that the proposed approach to communication with policyholders, including the application for the dispensations, and including the approach to vulnerable customers, is appropriate and fair. I am also satisfied that the content of the communications is clear, adequate and appropriately tailored to the needs of the customers.

1.69 I have provided this summary of my Report and my conclusions for inclusion within the communications to policyholders, as well as for inclusion on the relevant parts of the UKLAP website.

MY OTHER CONSIDERATIONS ARISING FROM THE SCHEME

1.70 In Section 10 of my Report, I have considered a number of other additional aspects not covered elsewhere in my Report that may have a bearing on the impact of the proposed Scheme on the policyholders of APUK and UKLAP. These include:

- The future practical operation of the Scheme;
- Access to the Financial Services Compensation Scheme and the Financial Ombudsman Service;
- The costs of the Scheme;
- The tax implications of the Scheme;
- The effect of the Scheme on other companies in the Aviva Group;
- The effect of the Scheme on reinsurers;
- Any emerging risks and the potential for volatility in financial markets;

- Operational readiness for the Scheme;
- The likely effects of the Scheme not proceeding;
- Aviva Group's acquisition of DLG;
- The FCA's Consumer Duty rules; and
- Other regulatory developments.

1.71 I have concluded that these matters do not have any material impact on my conclusions in respect of the Scheme.

MY CONCLUSIONS

1.72 I have considered and analysed the likely impact of the proposed Scheme on all of the policyholders of APUK and UKLAP and my conclusions are set out below and in Section 11 of my Report.

1.73 In conclusion, I am satisfied that the implementation of the proposed Scheme would not have a material adverse effect on any of the following:

- The security of the benefits to which policyholders of APUK and UKLAP are entitled under the terms and conditions of their policies;
- The reasonable expectations of the policyholders of APUK and UKLAP in respect of their benefits; and
- The standards of administration, servicing, management, and governance applicable to the policies of APUK and UKLAP.