

Changes to our business

Information for transferring policyholders
and claimants

This guide explains the proposed transfer of a number of policies from Aviva Life & Pensions UK Limited to Friends First Life Assurance Company dac

October 2018



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1 Introduction

This guide explains our proposal to transfer a number of policies provided by Aviva Life & Pensions UK Limited (“**UKLAP**”) to Friends First Life Assurance Company Designated Activity Company (“**FFLAC**”) which we expect to happen on 29 March 2019. **FFLAC** is an Aviva company which will be renamed as Aviva Life & Pensions Ireland dac (“**ALPI DAC**”) on or about 29 March 2019. At the same time, we’ll also change its registered office address to One Park Place, Hatch Street, Dublin 2, Ireland.

In this guide, the covering letter and other related materials, we refer to our proposals as ‘the **Scheme**’.

Please read this guide so you understand the **Scheme** and what it may mean for you and your policy (or policies). We explain the effects on your policy (or policies) in sections 2 and 3.

You have a right to object to the transfer if you believe you’d be negatively affected. You also have the right to attend the **Court** hearing. You can find more details about how to do this in section 5.

We’ve emphasised some of the terms in this guide in bold and defined these terms in section 10.

This guide is relevant to you because you have a policy (or policies) transferring under the **Scheme**. If you’re a claimant in relation to a policy, you should also read this guide as it’s relevant to you.

You may receive other communications from us in respect of the **Scheme** if you have more than one policy with Aviva. Aviva is also proposing a separate transfer of certain general insurance policies from another Aviva company in the UK to another Aviva company in Ireland, so you may receive a letter about this if you have a product with that company as well.

This guide contains:

- information about what the **Scheme** means for you and your policy (section 2) and your payments (section 3);

- details of the process we’ll follow to transfer your policy (section 4);
- what you should do next (section 5);
- details of how to contact us about the **Scheme** (section 6);
- a summary of the **Scheme** (section 7);
- details of the changes we are making to **PPFMs** for with-profits policies (section 8); and
- the formal **Legal Notice** that we must send you (section 9).

2 What the proposal means for you and your policy

This guide contains information for transferring **policyholders** of **UKLAP**. It explains our proposal and what the **Scheme** means for you and your policy. If you have any concerns about the **Scheme**, you can find details of what to do in section 5.

If the **Court** approves the **Scheme**, **FFLAC** will be the provider of your policy from the **Effective Time** although it’ll be renamed as **ALPI DAC** on or about 29 March 2019.

In summary, as a result of the **Scheme**:

- apart from the change in the provider of your policy to **FFLAC** there will be no change to the way your policy works;
- your policy number, features, benefits or premiums won’t change;
- the investment strategy relevant to your selected funds won’t change; and
- when you call us, you will speak to the same team of people on the same phone number as you do now, and the level of service you receive will not be affected.

The transfer will mean that your policy will not qualify for protection under the Financial Services Compensation Scheme and the way you can complain to the Ombudsman may change. You can find more information about this in the Questions and Answers we’ve provided with your letter.

3 What this means for your payments

If approved, the **Scheme** is expected to come into effect on 29 March 2019 (known as the '**Effective Time**'). You don't need to do anything and there will be no change to the timings, amounts or frequency of any regular payments to or from your policy, or changes to the dates of automated collections. If you make payments by direct debit, the transfer won't affect your direct debit arrangements although the name appearing on your bank statement may be slightly different to what it is today.

4 The transfer process

UKLAP and **FFLAC** have applied to the High Court of England and Wales for permission to transfer certain policies of **UKLAP** to **FFLAC**. The court procedure is required by law.

Before the transfer can take effect, the **Court** must approve the **Scheme**. A hearing has been scheduled for 13 February 2019 at The Business and Property Court at the Rolls Building, 7 Rolls Buildings, Fetter Lane, London EC4A 1NL. If approved, the **Scheme** is expected to come into effect on 29 March 2019 (known as the '**Effective Time**'). After the court hearing, we will update our website with the **Court's** decision.

From the **Effective Time**, the transferring policies become policies of **FFLAC** in accordance with the **Scheme** and as described in section 7.

The **Court** will only approve the **Scheme** if it is satisfied that the **Scheme** is fair to **policyholders** as a whole and meets the legal requirements. To do this it will rely on the opinion of an **Independent Expert**. Our regulators, the Financial Conduct Authority ('**FCA**') and the Prudential Regulation Authority ('**PRA**') also have the right to be heard by the **Court**. The **PRA** will consult with the Irish Regulator, the Central Bank of Ireland ('**CBI**'), as well as other relevant EU and EEA regulators.

The **Independent Expert**, whose appointment has been approved by the **PRA**, in consultation with the **FCA**, has written a report on how the **Scheme** is likely to affect **policyholders**. This report provides detailed independent assessment of the implications of the **Scheme** for the fair treatment of **policyholders**. This report will help the **Court** to reach its decision and is also reviewed by the **FCA** and **PRA**, when they consider the **Scheme**.

We've sent you a summary of this report with your letter and this guide.

5 What you should do next

Please read all the information we've sent you to help you understand the **Scheme**.

If there's anyone else with an interest in your policy (or policies), for example if:

- you're a joint **policyholder**;
- you're a trustee;
- you've assigned your policy or it's held in trust;
- the policy is subject to a pension sharing order or a pension adjustment order;
- a trustee-in-bankruptcy, receiver or administrative receiver has an interest in your policy; or
- you've been granted a power of attorney over the policy;

please make sure they read this guide, which is also available on our website at <https://transfer.aviva.com/life/documents>

If you have any questions which are not answered by this guide, you can find more information on our website at <https://transfer.aviva.com/life> including a Questions and Answers section.

On the site you can also find other documents about the **Scheme** such as the full **Scheme** document, the actuarial reports, the full report of the **Independent Expert** and the **Independent Expert's** supplementary report (when available) all free of charge. You can also call us on the number shown on your letter for any questions you have about the **Scheme**, or to request copies of these documents.

You can also see or obtain all of the court documentation in person at one of our offices below:

- Ireland: One Park Place, Hatch Street, Dublin 2
- Ireland: Block A, Galway West Business Park, Distributor Road, Knocknacarra, Galway
- Ireland: Friends First House, Cherrywood Business Park, Loughlinstown, Dublin 18
- Ireland: Avenue 5000, Cork Airport Business Park, Cork, T12 FDN3
- UK: St Helen's, 1 Undershaft, London, EC3P 3DQ
- UK: Wellington Row, York, YO90 1WR

If, having read the information available, you believe that you would be negatively affected by the **Scheme** and wish to object, you can call us or write to us at the address shown on your letter, setting out the reasons for your objection or you can complete an online objection form on our website at <https://transfer.aviva.com/life/objection>

We will submit any objections we receive to the **Court** and you should ideally send us the details of any objection by 30 January 2019 so that the **Court** has time to consider it. You do, however, have the right to submit an objection up until the date of the hearing scheduled for 13 February 2019.

The **Court** will consider whether to approve the **Scheme** at the court hearing which has been scheduled for 13 February 2019 at The Business and Property Court at the Rolls Building, 7 Rolls Buildings, Fetter Lane, London EC4A 1NL.

You can attend the hearing in person if you wish and make representations or express your objection. Alternatively, you can send a legal representative on your behalf. If you wish to attend the **Court** hearing, or send a legal representative, it would help if you could write to us at the address shown on your letter by 30 January 2019, so that we can advise the **Court**.

Trustees

If you're a trustee of a group occupational pension scheme, please be aware that although you're the **policyholder**, you should consider passing this information on to your scheme members. We will happily offer assistance, such as suggesting key messages, to support your communications.

The main points to note for you and your members are:

- your group occupational pension scheme is transferring to **FFLAC** as a result of the **Scheme**, as stated in your letter;
- if you're the trustee, you will stay as the trustee;
- your contract (policy) will move to **FFLAC**;
- if you're currently the scheme administrator for the purpose of the Finance Act 2004, you will stay in this role after the transfer.

Trustees of group occupational pension schemes and members who believe they would be negatively affected by the **Scheme** may put their objections to the **Court** in the way set out above.

6 How to contact us about the Scheme

You can make enquiries about the **Scheme**, obtain the full **Scheme** document, a copy of the **Independent Expert's** report, a summary of that report and the **Independent Expert's** supplementary report (when available) and other relevant information including a Questions and Answers section, all free of charge from our website <https://transfer.aviva.com/life>

Or you can call us on the number shown on your letter.

Alternatively, you can request copies of the material or put any questions you may have by writing to us at the address shown on your letter.

If you want to register an objection to the **Scheme** you can do this online at <https://transfer.aviva.com/life/objection>.

Or you can call us on the number shown on your letter.

6.1 Further information

We have produced the following **Scheme**-related documents which are available free of charge to all **policyholders**.

Policyholder communications:

- Guide for transferring **policyholders** (this document)
- Guide for non-transferring **FFLAC policyholders**
- Letters to **UKLAP policyholders** transferring to **FFLAC**
- Letters to non-transferring **FFLAC policyholders**
- Summary of the **Independent Expert's** report

Technical documents:

- The full **Scheme** document
- The full report of the **Independent Expert**, including the **Independent Expert's** supplementary report (when available)
- Other actuarial reports prepared by **UKLAP** and **FFLAC**

7 Summary of the Scheme

The following information is a summary of the key terms of the full **Scheme** document that you can find on our website at <https://transfer.aviva.com/life/documents>

We can post the full **Scheme** document to you free of charge. Please call us on the number shown on your letter if you'd like a copy.

7.1 The reason for the transfer

We're preparing for anticipated changes in the law as a result of the UK's expected withdrawal from the European Union (EU). Companies based in the UK, including **UKLAP**, may lose the right to carry out business in countries in the EU or the European Economic Area (EEA) in the same ways as they do now. This means we may be unable to administer your policy in the same way. **FFLAC** is incorporated in the Republic of Ireland, a country within the EU, and will be able to operate your policy.

This proposed transfer will provide certainty for customers who may be affected by these changes in law.

7.2 What we're transferring

If the **Court** approves the transfer, at the **Effective Time** (expected to be 22:59 on 29 March 2019) the following policies, together with related contracts, assets and liabilities will transfer from **UKLAP** to **FFLAC**:

- all policies issued by **UKLAP's** branches in the Republic of Ireland, France and Belgium; and
- certain other policies issued by **UKLAP** and which were marketed to **policyholders** outside the United Kingdom.

This means that **FFLAC** will then be the provider of these transferred policies instead of **UKLAP** although it'll be renamed as **ALPI DAC** on or about 29 March 2019.

7.3 Costs of the Scheme

Affected **policyholders** will not pay for the costs and expenses involved in carrying out the transfer. **Aviva** will be responsible for the costs of implementing the **Scheme**.

7.4 Fund structure

UKLAP's business is currently divided into with-profits sub-funds, a non-profit sub-fund, and a shareholder fund. **FFLAC's** business is currently divided into with-profits funds, a non-profit fund and a shareholder fund and this will stay the same when **FFLAC** is renamed as **ALPI DAC** on or about 29 March 2019.

- We'll transfer policies in **UKLAP's** existing with-profits sub-funds that are in the scope of the **Scheme** into newly created funds in **FFLAC**.
- We'll transfer policies in **UKLAP's** existing non-profit sub-fund that are in the scope of the **Scheme** into the Other Business Fund, which is **FFLAC's** existing non-profit fund.
- We will not transfer existing **FFLAC** policies as a result of the **Scheme**.
- We will not transfer existing **UKLAP** policies which are outside the scope of the **Scheme**.

7.5 Reinsurance

Alongside the **Scheme**, we'll immediately reinsure a number of the transferring policies back to **UKLAP**. We're doing this to minimise the impact of the **Scheme** on those transferring **policyholders** and to make sure that **policyholders** in **UKLAP's** with-profits sub-funds will continue to participate in the same sub-funds in which they originally invested.

We'll not be reinsuring back to **UKLAP** policies which are invested in the Irish With-Profits Sub-Fund or the majority of Irish policies invested in the Non-Profit Sub-Fund. You can find more details of how we propose to minimise the impact of the **Scheme** on with-profits policies in section 8 of this guide.

7.6 Changes as a result of the Scheme

The transferring policies are currently subject to previous schemes involving **UKLAP**. Once these policies have transferred to **FFLAC**, the provisions of these previous schemes will no longer apply to the transferring policies.

To minimise the impact of the **Scheme** on your policy, we've replicated the relevant provisions from **UKLAP's** previous schemes in this **Scheme**. Where we've done this, we've tried, wherever possible, to make these provisions simpler, clearer and more consistent. This has resulted in some changes which will have no material impact on your policy.

You can find further information on the proposed changes in the **Independent Expert's** summary report which we've sent you with this guide and in his detailed report which is available on our website.

7.7 Data protection

From the **Effective Time**, **FFLAC** will become the data controller for personal information that is held for those policies that are transferring. **FFLAC** will have the same duty to respect the confidentiality and privacy of that information as **UKLAP** had before the transfer and the way **FFLAC** protects and uses that personal information won't change. **FFLAC** is governed

by the General Data Protection Regulation (GDPR) in terms of its rights and responsibilities in relation to data protection. You can find more information about how **FFLAC** uses personal information including the legal basis for processing and how you can exercise your rights at <https://friendsfirst.ie/privacy>

7.8 Regulator in Ireland

FFLAC's regulator is the Central Bank of Ireland. Its contact details are:

PO Box 559

Dublin 1

Republic of Ireland

enquiries@centralbank.ie

Telephone: +353 (0)1 224 6000

If, having read the information available, you believe that you would be negatively affected by the **Scheme**, please call us or write to us at the address shown on your letter, setting out the reasons for your objection. You have the right to raise an objection at the court hearing.

8 With-profits fund policies

This section applies if you hold policies within the **UKLAP** with-profits funds.

As part of the transfer, we'll make some small changes to the name of your fund and the way we manage it.

Current with-profits sub-fund in UKLAP	New fund in FFLAC
FLAS With-Profits Sub-Fund	ALPI FLAS Fund
FP With-Profits Sub-Fund	ALPI FP Fund
Irish With-Profits Sub-Fund	ALPI Irish With-Profits Fund
New With-Profits Sub-Fund	ALPI New Fund
Old With-Profits Sub-Fund	ALPI Old Fund

Each with-profits sub-fund in **UKLAP** has a **PPFM**, setting out how the sub-fund is run. We'll update these to reflect the changes made as a result of the **Scheme**. We'll also create a new **PPFM** for the ALPI Irish With-Profits Fund in **FFLAC**. You can find more information on how these changes will affect you below.

8.1 Irish With-Profits Sub-Fund

If you currently have investments in the Irish With-Profits Sub-Fund in **UKLAP**, we'll transfer them to the ALPI Irish With-Profits Fund in **FFLAC**.

Although you will no longer benefit from the protections in **UKLAP's PPFM** for the Irish With-Profits Sub-Fund or UK regulatory protections in respect of with-profits business, **FFLAC** will create a new **PPFM** for the ALPI Irish With-Profits Fund which will have essentially the same terms as the previous **PPFM**. It will also continue to provide protections consistent with current UK regulations and provides detail on how the ALPI Irish With-Profits Fund will operate from the **Effective Time**.

If the transfer takes place, some small differences will be necessary and some of these appear in the Principles section of the **PPFM**. As we must give you three months' notice of these changes to comply with current **PPFM** and UK regulations, this summary serves as that formal notice.

You can see a draft of the new **PPFM** which would apply if the transfer takes place on our website at <https://transfer.aviva.com/life/documents>

A With Profits Committee will continue to oversee your policy. The role of a With Profits Committee is to advise on the fair treatment of with-profits **policyholders** and the management of the with-profits funds.

8.2 FLAS With-Profits Sub-Fund

If you currently have investments in the FLAS With-Profits Sub-Fund in **UKLAP**, we'll transfer them to the ALPI FLAS Fund in **FFLAC**. We'll then reinsure these investments back to the FLAS With-Profits Sub-Fund in **UKLAP**, so that you'll continue to receive the same benefits as you would have if you'd stayed in the **UKLAP** fund.

You'll also continue to benefit from the protections in **UKLAP's PPFM** for the FLAS With-Profits Sub-Fund, which will include minor amendments to reflect that the transferred policies will be reinsured policies of **UKLAP** rather than direct policies of **UKLAP**.

8.3 FP With-Profits Sub-Fund

If you currently have investments in the FP With-Profits Sub-Fund in **UKLAP**, we'll transfer them to the ALPI FP Fund in **FFLAC**. We'll then reinsure these investments back to the FP With-Profits Sub-Fund in **UKLAP**, so that you'll continue to receive the same benefits as you would have if you'd stayed in the **UKLAP** fund.

You'll also continue to benefit from the protections in **UKLAP's PPFM** for the FP With-Profits Sub-Fund, which will include minor amendments to reflect that the transferred policies will be reinsured policies of **UKLAP** rather than direct policies of **UKLAP**.

8.4 New With-Profits Sub-Fund

If you currently have investments in the New With-Profits Sub-Fund in **UKLAP**, we'll transfer them to the ALPI New Fund in **FFLAC**. We'll then reinsure these investments back to the New With-Profits Sub-Fund in **UKLAP**, so that you'll continue to receive the same benefits as you would have if you'd stayed in the **UKLAP** fund.

You'll also continue to benefit from the protections in **UKLAP's PPFM** for the New With-Profits Sub-Fund, which will include minor amendments to reflect that the transferred policies will be reinsured policies of **UKLAP** rather than direct policies of **UKLAP**.

8.5 Old With-Profits Sub-Fund

If you currently have investments in the Old With-Profits Sub-Fund in **UKLAP**, we'll transfer them to the ALPI Old Fund in **FFLAC**. We'll then reinsure these investments back to the Old With-Profits Sub-Fund in **UKLAP**, so that you will continue to receive the same benefits as you would have if you'd stayed in the **UKLAP** fund.

You will also continue to benefit from the protections in **UKLAP's PPFM** for the Old With-Profits Sub-Fund, which will include minor amendments to reflect that the transferred policies will be reinsured policies of **UKLAP** rather than direct policies of **UKLAP**.

8.6 Belgian Sub-Fund

While the Belgian business is not treated as with profits business under UK regulations, it does have features similar to with profits business and is included in this section for completeness.

If you currently have investments in the Belgian Sub-Fund in **UKLAP**, we'll transfer them to the ALPI Belgian Fund in **FFLAC**. We'll then reinsure these investments back to the Belgian Sub-Fund in **UKLAP** so that you'll continue to receive the same benefits as you would have if you'd stayed in the **UKLAP** fund.

9 Legal Notice

IN THE MATTER OF
AVIVA LIFE & PENSIONS UK LIMITED
-and-
IN THE MATTER OF
FRIENDS FIRST LIFE ASSURANCE COMPANY DAC
-and-
IN THE MATTER OF
THE FINANCIAL SERVICES AND MARKETS ACT 2000

NOTICE IS HEREBY GIVEN that, on 16 October 2018, an application was presented to Her Majesty's High Court of Justice by Aviva Life & Pensions UK Limited (formerly known as Norwich Union Life & Pensions Limited) ("**UKLAP**") and Friends First Life Assurance Company dac (formerly known as Friends Provident Life Assurance Company Limited and Friends First Life Assurance Company Limited) ("**FFLAC**") for an order under Part VII of the Financial Services and Markets Act 2000 (the "Act") sanctioning a scheme (the "**Scheme**") for the transfer of: (i) all business effected and/or carried out by UKLAP out of UKLAP's branches in Belgium, France and the Republic of Ireland, and (ii) certain other business effected and/or carried out by UKLAP and which was marketed to policyholders outside the United Kingdom.

Copies of the full Scheme document, the full report prepared in accordance with Section 109 of the Act on the terms of the Scheme by Mr Tim Roff (the "**Independent Expert**", whose appointment was approved by the Prudential Regulation Authority following consultation with the Financial Conduct Authority), a summary of the Independent Expert's Report, letters sent to interested parties and policyholder booklets containing a summary of the Scheme may be obtained, together with other relevant information, by any person free of charge by contacting UKLAP or FFLAC as set out below until the making of an order sanctioning the Scheme.

The application is directed to be heard before a Judge of the Business and Property Court at the Rolls Building, 7 Rolls Buildings, Fetter Lane, London, EC4A 1NL, on 13 February 2019. If approved, the transfer will become effective at the Effective Time (as defined in the Scheme), expected to be 22:59 (London time) on 29 March 2019. Any person who alleges that they may be adversely affected by the carrying out of the Scheme has the right to object to the Scheme and be heard at the hearing. Any person who alleges that they may be adversely affected is requested (but not obliged) to provide reasons why they consider they may be adversely affected and, if appropriate, notice of their intention to appear at the hearing, to the designated PO Box address below which has been created for the purpose of the Scheme, or by calling the telephone number below, not less than five working days before the hearing. Any person who alleges that they may be adversely affected by the carrying out of the Scheme may appear at the hearing in person or by counsel or solicitor advocate.

UKLAP contact details:

Address: Aviva Transfer Mailing (BAU J)
PO Box 3661
NORWICH
NR1 3JF
United Kingdom

Telephone number: +44 (0) 1603 606388

Website: <https://transfer.aviva.com/life>

FFLAC contact details:

Address: Customer Services Department
(Transfer Mailing)
Friends First House
Cherrywood Business Park, Loughlinstown
Dublin 18, Ireland

Telephone number: +353 (0) 1 618 6816

Website: <https://transfer.aviva.com/life>

10 Terms used

In this guide, the following expressions have the meanings as shown:

ALPI DAC – Aviva Life & Pensions Ireland Designated Activity Company, a designated activity company incorporated in the Republic of Ireland with company number 165970 and its registered office at One Park Place, Hatch Street, Dublin 2, Ireland. This company is currently called **FFLAC** with a registered office at Friends First House, Cherrywood Business Park, Loughlinstown, Dublin 18, Ireland.

Aviva – Aviva is the name we use to describe Aviva plc and all subsidiaries of that company.

CBI – The Central Bank of Ireland and any successor regulatory authority.

Court – The High Court of Justice in England and Wales.

Effective Time – The time and date on which the Scheme will take effect, being 22:59 GMT on 29 March 2019.

FCA – The Financial Conduct Authority.

FFLAC – Friends First Life Assurance Company Designated Activity Company, a designated activity company registered in the Republic of Ireland with company number 165970 and its registered office at Friends First House, Cherrywood Business Park, Loughlinstown, Dublin 18, Ireland. This company will be renamed as **ALPI DAC** on or about 29 March 2019 and its registered office address will also change to One Park Place, Hatch Street, Dublin 2, Ireland.

Independent Expert – Tim Roff who is a Fellow of the Institute and Faculty of Actuaries (IFoA) and experienced in the issues concerned with the transfer of life businesses and who has been appointed, with the approval of the PRA, in consultation with the FCA, to independently consider the effect of the **Scheme** on policyholders.

Legal Notice – The notice of the application to the **Court** for the approval of the **Scheme**, set out in section 9.

Ombudsman – An independent organisation that considers **policyholder** complaints and helps to settle disputes.

Policyholder(s) – The person/s who is/are the legal owner of the policy, including any person/s to whom, under the policy, a sum is due, a periodic payment is payable or any other benefit is to be provided.

PPFM – The Principles and Practices of Financial Management document, prepared and issued by an insurer in respect of a with-profits fund as required by the FCA Conduct of Business Sourcebook ('COBS') Rule 20.3.

PRA – The Prudential Regulation Authority.

Scheme – The proposed transfer of business described in this document, in its original form or with any changes, additions or conditions which may be approved or imposed.

UKLAP – Aviva Life & Pensions UK Limited, a company incorporated in England and Wales with registered number 3253947.

Aviva Life & Pensions UK Limited, trading as Aviva Life & Pensions Ireland, is authorised by the Prudential Regulation Authority in the UK, and is regulated by the Central Bank of Ireland for the conduct of business rules. Aviva Life & Pensions UK Limited, trading as Aviva Life & Pensions Ireland, is also regulated in the UK: by the Prudential Regulation Authority for prudential rules and, to a limited extent, by the Financial Conduct Authority for applicable UK conduct rules.

Registered Branch Office in Ireland (No 906464) at One Park Place, Hatch Street, Dublin 2.

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Registered in England (3253947) at Wellington Row, York, YO90 1WR.

Directors V Gooding (British) A Briggs (British) M Carvill (British) R Howe (British) J O'Roarke (British) H Patel (British) S Trickett (British) J Windsor (British).

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