

Questions and Answers

AI Transferring Policyholders

Q1 Why is the transfer happening?

A1 The primary commercial purpose of the Schemes is for Utmost to acquire the Transferring Business from Athora Ireland “AI” as and from the Effective Date 31st December 2018 or as soon as possible thereafter and in accordance with the terms and conditions set out in the Schemes. Furthermore, the transfer enables AI to concentrate on its future strategy under its new Athora ownership.

Q2 What will be the name of my insurance company after the transfer?

A2 Subject to the necessary court approvals being obtained, your policy will be transferred to Utmost Ireland dac, on the Effective Date. Business will be carried on by Utmost Ireland dac using the ‘Utmost Wealth Solutions’ name and brand.

Q3. Who are Utmost Ireland?

A3 Utmost Ireland is a subsidiary of Utmost Holdings Ireland Limited (formerly LCCG Ireland Limited) which is in turn part of the Life Company Consolidation Group (“LCCG”). LCCG is a specialist vehicle operating in the European life assurance sector. Its principal activity is the acquisition and consolidation of books of life assurance business in Europe combined with a targeted approach towards new business opportunities. Utmost Ireland provides off-shore life assurance bonds, predominantly to UK nationals. Utmost Ireland writes new policies into the UK through a sister company that is branded Utmost Wealth Solutions which is based in the Isle of Man. Utmost Ireland had funds under management of €2.2bn at the end of 2017.

Q4 Do I need to take any action?

A4 No.

Q4 Who can I contact if I have a query about the proposed transfer?

A5 If you have a query, please call the AI telephone helpline on 08456 000 173 from the UK or 00 353 1 673 8840 from outside the UK, or contact your Financial Adviser.

Q6 Do I need to vote on the proposals?

A6 No, the proposals are not subject to a vote. They do, however, need to be approved by the relevant court. The sanction of the Irish High Court is required for the Irish Scheme. For transferring policies whose holders are resident in Jersey the sanction of the Jersey Scheme by the Royal Court of Jersey is required. For transferring policies whose holders are resident in Guernsey the sanction of the Guernsey Scheme by the Royal Court of Guernsey is required. If approved the Irish, Jersey and Guernsey Schemes will all be effective on the same date.

Q7 Will the proposals affect the security of my benefits?

A7 The Independent Actuary has considered the impact of the Schemes on the security of your benefits. She has concluded that, subject to the points listed in section 6.1 of her full report, there will be no material adverse effect of the Schemes on the security of your benefits.

Q8 Are there any tax implications caused by the transfer of my policy?

A8 Based on current tax laws, the transfer should not have any adverse effect on the policyholder tax treatment of the Transferring Policies. Policyholders may wish to contact their tax advisor should they have any doubts in relation to their personal tax affairs.

Q9 Have the likely effects of the proposed transfer on my policy been assessed by anyone independent of AI and Utmost?

A9 Yes, in order for insurance business to transfer between insurers there is a legal and regulatory requirement that an Independent Actuary has to consider and report on the proposed transfer. We have included a summary of the Report of the Independent Actuary, in SECTION 4 of this Communications Pack. Rosemary Commons, the Independent Actuary, concludes in her report, subject to the points listed in section 5 of her summary report, that there is no material adverse impact on the security of benefits for any policyholders as a result of the Schemes and no policyholders will suffer any reduction in reasonable benefit expectations as a result of the Schemes. The Independent Actuary will keep the proposals under review up until the Irish High Court sanction hearing date.

A further safeguard which protects your interest is that the proposed transfer will take place only after it has been considered and approved by the Irish High Court (and sanctioned by the Jersey Court in respect of the holders of Transferring Policies who are resident in Jersey and and sanctioned by the Guernsey Court in respect of the holders of Transferring Policies who are resident in Guernsey), following notification of and engagement with the CBI, and any other regulators with whom the CBI is required to consult.

Q10 Why is the confirmation of the respective courts necessary?

A10 The provisions of Irish law (specifically section 13 of the Assurance Companies Act 1909 and section 36 of the Insurance Act 1989) provide that the approval of the Irish High Court is required for the proposed transfer to take place. The proposed transfer will not be confirmed unless the Irish High Court is satisfied that the interests of all policyholders will not be prejudiced by the proposed transfer and the requirements of applicable legislation have been met. Policyholders are entitled to attend the Irish High Court on the date of the hearing, at which the approval of the Irish High Court to the Irish Scheme will be sought, to object in person or through their legal adviser.

Also as a number of Transferring Policies having been concluded with holders resident in Jersey, the sanction of the Jersey Court of the Jersey Scheme is required, pursuant to the Insurance Business (Jersey) Law 1996, as amended.

In addition, by virtue of a number of Transferring Policies having been concluded with holders resident in Guernsey, the sanction of the Guernsey Court of the Guernsey Scheme is required, pursuant to the Insurance Business (Bailiwick of Guernsey) Law, 2002.

Q11 Can I object to the proposed transfer?

A11 Yes, you should first review the details contained in this Communications Pack. If you then wish to object to the proposed transfer, you are entitled to attend the Irish High Court on the day of the hearing at which the sanction of the Irish High Court to the Irish Scheme will be sought (scheduled for 27/11/2018) to object in person, or through your legal adviser. If you wish to be heard on the hearing of the Petition, you should send a notice of your intention to appear, in writing with reference '25199.0003', to William Fry, 2 Grand Canal Square, Grand Canal Dock, Dublin 2, no later than 5.00 p.m. on 20/11/2018 and you should indicate whether you support or oppose the petition to be made to the Irish High Court seeking its sanction of the Irish Scheme. If you wish to submit particular information to the Irish High Court at this hearing, you should file an affidavit setting out those submissions with the Irish High Court and serve a copy of that affidavit on William Fry, 2 Grand Canal Square, Grand Canal Dock, Dublin 2, Ireland no later than 5.00 p.m. on 20/11/2018.

Jersey Policyholders are entitled to object in the Jersey Court. If you wish to raise an objection, please write to Carey Olsen, 47 Esplanade, St Helier JE1 0BD, Jersey citing reference '25199.0003', no later than 5pm on 23/11/2018. The sanctions hearing in the Jersey Court is scheduled for 4/12/2018 and you are entitled to attend in person or by sending a representative. Note that your right to attend the court hearing and object in person is not affected if you have not notified us prior to the hearing.

Guernsey Policyholders are entitled to object in the Guernsey Court. If you wish to raise an objection, please write to Carey Olsen, PO Box 98, Carey House, Les Banques, St Peter Port, GY1 4BZ, Guernsey, citing reference '25199.0003', no later than 5pm on 23/11/2018. The sanctions hearing in the Guernsey Court is scheduled for 5/12/2018 and you are entitled to attend in person or by sending a representative. Note that your right to attend the court hearing and object in person is not affected if you have not notified us prior to the hearing.

Q12 Will the proposals automatically go ahead?

A12 No. The proposed transfer will only proceed if it is approved by the respective courts. The courts will only approve the changes if satisfied that the proposals are appropriate, fair to policyholders and meet the relevant legal requirements. To do this, the courts will consider the opinion of the Independent Actuary and note whether there has been any objection from relevant regulators. Objections received from policyholders will also be considered.

Q13 How will I know whether the respective courts have approved the proposed transfer?

A13 Following the relevant court hearings we will publicise the fact that the Schemes have been sanctioned (and as a result have been implemented) through newspaper notices and on AI's and Utmost's websites. You do not need to take any action as a result of the transfer.

Q14 Will I retain my existing policy after the transfer?

A14 Yes, there is no need for your existing policy documents to be altered or for new policies to be issued.

Q15 Will my policy be the same after the transfer?

A15 Yes. There will be no change to the terms and conditions of your policy.

Q16 Will I still be able to make changes to my policy or take advantage of any options available under my policy?

A16 Yes, subject to the existing terms and conditions of your policy, which are not changing as a result of these proposals.

Q17 Will the transfer result in a change to the investments that my policy is invested in?

A17 No. there will be no change to the underlying fund strategy of your policy but you will find that Aegon branded fund names are changed at or close to the transfer effective date.

Q18 Will I be able to make top up payments to my policy after the transfer?

A18 No, AI no longer accepts top ups on any of the transferring policies. Utmost currently plans to continue this practice post transfer, but it might review this in the future.

Q19 I've received this information pack but my policy is cancelled. Do I need to do anything?

A19 If your policy is no longer in force and can't be reinstated, you don't need to take any action and you can ignore this mailing.

Q20 What happens if the courts do not approve the transfer?

A20 If the proposed transfer is not approved by the relevant court then your policy will continue to be with AI.

Q21 Why have I received more than one Communications Pack?

A21 If you have more than one policy with AI, you will receive more than one copy of this Communications Pack.