

Part 1 – Independent Expert’s summary report for policyholders

The following is a summary for policyholders of a report prepared by the Independent Expert, Stephen Makin. A copy of his full report is available on our website www.sanlamlifeandpensions.co.uk. A copy can also be requested free of charge from the postal address, email address or telephone number shown on our website.

Introduction

1. CASLP Ltd, which I refer to as CASLP, and Countrywide Assured plc, which I refer to as Countrywide Assured, share the same ultimate parent company, Chesnara plc, which I refer to as Chesnara. CASLP and Countrywide Assured share a largely common management team, but have their own Boards and Board committees.
2. CASLP and Countrywide Assured wish to transfer all of CASLP’s insurance policies to Countrywide Assured. To do this, they must make an application to the High Court of Justice in England & Wales. The application must include a report by an Independent Expert on the terms of the transfer. I have been instructed jointly by CASLP and Countrywide Assured to fulfil this role, and my appointment has been approved by the UK’s insurance regulators. I am a Fellow of the Institute and Faculty of Actuaries, having qualified in 1999, and a partner of Hymans Robertson LLP, an actuarial consultancy firm.
3. This is my report for the policyholders of CASLP and Countrywide Assured. It is a summary of my full report to the Court, which is available on both firms’ websites or from either firm on request. That report sets out the detailed scope of my work, the standards applying to it, and the information I have used in preparing it. Nothing in either report is or should be viewed as being investment, accounting, legal or tax advice, including to CASLP and Countrywide Assured or their policyholders.
4. The main focus of my work is to consider whether the proposed transfer is expected to affect the benefits paid to any group of policyholders, or to significantly reduce either the security of those benefits or the standards of services provided to policyholders. I have considered the expected impact of the proposed transfer on both CASLP’s current policyholders whose policies will be transferred to Countrywide Assured, and on Countrywide Assured’s existing policyholders.

The impact of the transfer on benefits expected to be paid to policyholders

Policyholders transferring from CASLP to Countrywide Assured

5. There will be no change to the terms and conditions of policies transferring from CASLP, except to refer to Countrywide Assured rather than CASLP. There will be no change to the way in which these policies are managed, including charges, expenses, and the range of funds available. I therefore do not expect the transfer to result in either a reduction in the benefits paid to or an increase in premiums required from any of CASLP’s current policyholders whose policies are to be transferred to Countrywide Assured.

Countrywide Assured’s existing policyholders

6. As for CASLP, there will be no change to the terms and conditions of Countrywide Assured’s existing policies. Similarly, there will be no change to the way in which these policies are managed, including charges, expenses, and the range of funds available. I therefore do not expect the transfer to result in a reduction in the benefits paid to or an increase in premiums required from any of Countrywide Assured’s existing policyholders.

The security of policyholder benefits

Policyholders transferring from CASLP to Countrywide Assured

7. I do not expect the transfer to significantly reduce the security of benefits for policyholders transferring from CASLP to Countrywide Assured.
8. Both CASLP and Countrywide Assured maintain internal policies which ultimately govern the financial resources that are retained within each firm rather than being paid to shareholders in the form of dividends. These policies require CASLP and Countrywide Assured to hold financial resources beyond those required by the regulations. The policies are essentially the same for both companies, so I regard both as having the same financial strength provided that they comply with their policies. Countrywide Assured currently holds a level of financial resources that complies with its policy, and I am satisfied that the level of financial resources that it expects to have following the transfer will also comply with its policy.

9. Furthermore, both CASLP and Countrywide hold similar types of insurance policies and are exposed to similar risks. I have considered the risks faced by both CASLP and Countrywide Assured, and I am satisfied that the transfer should not materially change the risks that CASLP policyholders are exposed to.
10. I have also considered how Countrywide Assured's financial position is expected to change in the years following the transfer, and am satisfied that the company's financial position is not expected to materially worsen over the coming years as a result of the transfer.

Countrywide Assured's existing policyholders

11. I do not expect the transfer to significantly reduce the security of benefits for Countrywide Assured's existing policyholders.
12. Countrywide Assured has confirmed that the transfer will not result in any changes to its internal policy which governs the level of financial resources that it holds. As noted in paragraph 8, I am satisfied that the level of financial resources that Countrywide Assured expects to hold following the transfer will comply with its policy.
13. As noted in paragraph 9, CASLP and Countrywide Assured hold similar types of insurance policies and are exposed to similar risks. I therefore do not expect the transfer to have a material impact on the risks faced by Countrywide Assured's existing policies.

Service standards

Policyholders transferring from CASLP to Countrywide Assured

14. The transfer should have no direct impact on the service standards of policyholders transferring from CASLP to Countrywide Assured.
15. The administration of CASLP's policies is currently carried out in-house but ahead of implementation of the Scheme responsibility for this will move to a new provider, SS&C Technologies. As this change in administration is separate to the Scheme it is beyond the scope of my report, but based on the information provided to me by CASLP I do not expect there to be a reduction in the standard of service received by CASLP's existing policyholders.

Countrywide Assured's existing policyholders

16. The transfer should have no direct impact on the service standards of Countrywide Assured's existing policyholders.
17. Countrywide Assured has entered an agreement with SS&C Technologies to provide outsourced administration for certain policies currently outsourced to HCL Insurance BPO Services Limited. As this change is separate to the Scheme it is beyond the scope of my report, but based on the information provided to me by Countrywide Assured I do not expect there to be a reduction in the standard of service received by the relevant policyholders.

Conclusion

18. Based on the information provided to me by CASLP and Countrywide Assured, I conclude that the proposed transfer is not expected to affect the benefits expected to be paid to any group of policyholders, or to significantly reduce the security of those benefits, or the standards of service received by policyholders.
19. Before the final Court hearing, expected to be held on 29 November 2023, at which the Court will decide whether or not the transfer may proceed, I will prepare a supplementary report discussing any significant developments that have occurred since my full report was finalised, commenting on whether they cause me to change my conclusions.



Stephen Makin FFA CERA

Independent Expert

14 July 2023

For and on behalf of Hymans Robertson LLP

PART 2 – SUMMARY OF THE SCHEME

The following is a summary of the main provisions of the scheme under Part VII of the Financial Services and Markets Act 2000 by which the transfer of the business of CASLP Ltd (**CASLP**) is to take place (**Scheme**).

1 Transferring the business

If the High Court of Justice of England and Wales (**Court**) approves the Scheme, the whole of CASLP's business including all CASLP policies will transfer to Countrywide Assured plc (**Countrywide Assured**) on the date on which the Scheme becomes effective (**Transfer Date**).

Countrywide Assured will become the product provider and will be responsible for the transferred policies. Countrywide Assured will take over CASLP's rights and obligations relating to the transferred policies and you will be entitled to the same rights against Countrywide Assured as you currently have against CASLP.

Any contracts that CASLP has with other organisations will also transfer, so that they will be between Countrywide Assured and that organisation.

Any litigation or complaints in connection with CASLP's business that are commenced against CASLP will also transfer, so that they will be dealt with by Countrywide Assured.

2 The Transfer Date

If the Court approves the Scheme, we expect the Transfer Date to be 31 December 2023. Countrywide Assured and CASLP can agree to defer the transfer. Any change to the Transfer Date will be announced at www.countrywideassured.co.uk, www.sanlamlifeandpensions.co.uk and www.chesnara.co.uk.

3 Unit-linked funds

The Scheme will not change the way the unit-linked funds are managed, the assets of the unit-linked funds, the charges which apply or the bases used to price units in the funds. Countrywide Assured will create internal unit-linked funds corresponding to all those currently in CASLP and policyholders will be allocated the same value of units in those new Countrywide Assured funds as they held in the unit-linked funds of CASLP immediately before the transfer.

The Scheme will allow the division, merger or closure of unit-linked funds and the modification of their investment objectives to permit investment in reasonably similar assets. These changes are consistent with the changes that CASLP is currently able to make to its unit-linked funds range. These actions will not be permitted if they are contrary to the policy terms and conditions and will only be taken subject to certain safeguards.

4 Policies with options for a new or replacement policy

If your policy has an option or other right which entitles you to take out a new, additional or replacement policy, you will still be able to do that with Countrywide Assured after the transfer. If Countrywide Assured is not issuing these exact policies, Countrywide Assured may offer you the nearest equivalent policy that it is issuing at that time (subject to certain safeguards).

One Temple Quay, 1 Temple Back East, Bristol BS1 6DZ

T +44 (0)3330 155 600 E enq@sanlamlifeandpensions.co.uk W sanlamlifeandpensions.co.uk

5 Excluded policies

If, for technical reasons, we are unable to transfer any policy or group of policies, we will treat these policies for all practical purposes in the same way as if they had transferred.

6 Data protection

Following the transfer, Countrywide Assured will become the 'controller' of personal data which is associated with the business of CASLP, meaning that it will take over the statutory responsibilities under applicable data protection laws in respect of that personal data.

7 Costs

The costs and expenses relating to the preparation of the Scheme and the Court process will be met by Chesnara plc. None of these costs and expenses will be met by policyholders.

8 Modifications or additions

Countrywide Assured and CASLP may consent to any modification of or addition to the Scheme prior to Court approval which the Court may approve. After the Transfer Date, Countrywide Assured may apply to the Court to amend the Scheme, subject to notifying the Financial Conduct Authority (**FCA**) and Prudential Regulation Authority (**PRA**) in advance and subject also to obtaining a certificate from an independent actuary to the effect that the proposed amendment will not materially adversely affect the interests of the policyholders of Countrywide Assured. Court approval is not required for minor and/or technical amendments to the Scheme so long as the FCA and PRA have been notified of and not objected to the amendments.

A copy of the full Scheme is available on our website www.sanlamlifeandpensions.co.uk. Alternatively, a copy of all documents can be requested by post, email or telephone from the address, email address or telephone number shown on our website; these are available free of charge. The summary above should not be relied upon as containing a comprehensive description of the Scheme.

PART 3 – NOTICE OF APPLICATION TO THE COURT

The following is the text of a formal notice which is to be advertised in accordance with the Financial Services and Markets Act 2000 (Control of Business Transfers) (Requirements on Applicants) Regulations 2001.

In the High Court of Justice
Business and Property Courts of England and Wales
Companies Court (ChD)

CR-2023-002071

IN THE MATTER OF CASLP LTD

-and-

IN THE MATTER OF COUNTRYWIDE ASSURED PLC

-and-

IN THE MATTER OF THE FINANCIAL SERVICES AND MARKETS ACT 2000

Notice is hereby given that, by a Part 8 claim form dated 19 July 2023, an Application was made to the High Court of Justice, England and Wales by CASLP Ltd (**CASLP**), which was formerly Sanlam Life & Pensions UK Limited and before that Merchant Investors Assurance Company Limited, and Countrywide Assured plc (**CA**) for an Order under Section 111 of the Financial Services and Markets Act 2000 (**Act**) sanctioning a proposed scheme (**Scheme**) providing for the transfer of the entire business of CASLP to CA and making ancillary provision in connection with the Scheme under Sections 112 and 112A of the Act.

Copies of the report on the terms of the Scheme prepared by an Independent Expert in accordance with section 109 of the Act and of a circular containing a summary of the terms of the Scheme and a summary of the Independent Expert's report, and a copy of the full Scheme document, may be obtained free of charge from the date of publication of this notice until the date on which the Application is heard by the Court by contacting either CASLP or CA in writing at Third Floor One Temple Quay, 1 Temple Back East, Bristol, England, BS1 6DZ, by email at enq@sanlamlifeandpensions.co.uk or by calling the Part VII team on 0333 015 5600, selecting option 1.

These documents can also be downloaded through the CASLP website at sanlamlifeandpensions.co.uk and the CA website at countrywideassured.co.uk. All updates to the documents will be posted on the CASLP and CA websites.

The Scheme will result in the property and contracts related to the transferred business being transferred to CA notwithstanding any restrictions on transfer or requirements for counterparty consent and without triggering any pre-emption, termination or other rights which might otherwise arise. Any entitlement to terminate, modify, acquire or claim an interest or right or to treat an interest or right as terminated or modified as a result of anything done pursuant to the Scheme will only be enforceable to the extent the Court so orders. The Scheme will also result in the liabilities related to the transferred business being transferred to and becoming liabilities of CA. All claims in respect of the policies comprised within the transferred business shall, upon the Scheme becoming effective, be dealt with by CA.

The Application is directed to be heard at the High Court of Justice, Companies Court, 7 Rolls Buildings, Fetter Lane. London, EC4A 1NL on 29 November 2023. If it is approved by the Court, it is currently proposed that the Scheme will take effect on 31 December 2023.

Any person (including any customer or employee of CASLP or CA) who considers that he or she would be adversely affected by the carrying out of the Scheme is entitled to object or make representations. CASLP and CA can be contacted using the details set out above and Addleshaw Goddard LLP (the solicitors to CASLP and CA) can be contacted using the details set out below. Any objection or representations received will be passed to the Court, the PRA, the FCA and the Independent Expert. A person may also appear at the Court hearing (in person or, at their own expense, by legal representative). Any person who intends to object or make representations, is requested (but not required) to notify CASLP, CA or Addleshaw Goddard LLP (outlining the objections or representations) as soon as possible and preferably before 22 November 2023.

If CA or CASLP customers have any further questions or concerns relating to the Scheme they are encouraged to contact CASLP or CA directly using the details set out above and to visit the CASLP and CA websites.

Addleshaw Goddard LLP
60 Chiswell Street
London
EC1Y 4AG
Reference: 330099-35
CASLP.PARTVII@addleshawgoddard.com

Solicitors to CASLP and CA