

## Appendix 10

### 1.1.1 Compliance with FCA supervision manual chapter 18 and PRA's statement of policy – The PRA approach to Insurance business transfer – April 2015

Guidance Reference	Guidance	Scheme Report reference
PRA 2.30 (1) FCA 18.2.33 (1)	Who appointed the independent expert and who is bearing the costs of that appointment	1.4.2
PRA 2.30 (2) FCA 18.2.33 (2)	Confirmation that the independent expert has been approved or nominated by the PRA	1.4.2
PRA 2.30 (3) FCA 18.2.33 (3)	A statement of the independent expert's professional qualifications and (where appropriate) descriptions of the experience that makes them appropriate for the role	1.4.3
PRA 2.30 (4) FCA 18.2.33 (4)	Whether the independent expert, or his employer, has, or has had, direct or indirect interest in any of the parties which might be thought to influence his independence, and details of any such interest	1.4.4
PRA 2.30 (5) FCA 18.2.33 (5)	The scope of the report	1.2
PRA 2.30 (6) FCA 18.2.33 (6)	The purpose of the scheme	1.1.8 and 1.3
PRA 2.30 (7) FCA 18.2.33 (7)	A summary of the terms of the scheme in so far as they are relevant to the report	1.3
PRA 2.30 (8) FCA 18.2.33 (8)	What documents, reports and other material information the independent expert has considered in preparing the report and whether any information that they requested has not been provided	Appendix 11
PRA 2.30 (9) FCA 18.2.33 (9)	The extent to which the independent expert has relied on: (a) information provided by others; and (b) the judgement of others	1.4.7
PRA 2.30 (10) FCA 18.2.33 (10)	The people the independent expert has relied on and why, in their opinion, such reliance is reasonable	1.4.7

Guidance Reference	Guidance	Scheme Report reference
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PRA 2.30 (11) FCA 18.2.33 (11)	Their opinion of the likely effects of the scheme on policyholders (this term is defined to include persons with certain rights and contingent rights under the policies), distinguishing between: (a) transferring policyholders; (b) policyholders of the transferor whose contracts will not be transferred; and (c) policyholders of the transferee	2.17 Overall Conclusion
PRA 2.30 (12) FCA 18.2.33 (11A)	Their opinion on the likely effects of the scheme on any reinsurer of a transferor, any of whose contracts of reinsurance are to be transferred by the scheme	2.17 Overall Conclusion
PRA 2.30 (13) FCA 18.2.33 (12)	What matters (if any) that the independent expert has not taken into account or evaluated in the report that might, in their opinion, be relevant to policyholders' consideration of the scheme	9.1 and 9.3
PRA 2.30 (14) FCA 18.2.33 (13)	For each opinion that the independent expert expresses in the report, an outline of their reasons	Executive Summary Section 2
PRA 2.33 (1) FCA 18.2.36 (1)	Include a comparison of the likely effects if it is or is not implemented;	1.16 and 9.2
PRA 2.33 (2) FCA 18.2.36 (2)	State whether they considered alternative arrangements and, if so, what	1.16 and 9.2
PRA 2.33 (3) FCA 18.2.36 (3)	Where different groups of policyholders are likely to be affected differently by the scheme, include comment on those differences they consider may be material to the policyholders	Executive Summary Section 2
<b>Guidance Reference</b>	<b>Guidance</b>	<b>Scheme Report reference</b>

<p>PRA 2.33 (4) FCA 18.2.36 (4)</p>	<p>Include their views on: (a) the effect of the scheme on the security of policyholders' contractual rights, including the likelihood and potential effects of the insolvency of the insurer; (b) the likely effects of the scheme on matters such as investment management, new business strategy, administration, claims handling, expense levels and valuation bases in relation to how they may affect: (i) the security of policyholders' contractual rights; (ii) levels of service provided to policyholders; or (iii) for long-term insurance business, the reasonable expectations of policyholders; and (c) the cost and tax effects of the scheme, in relation to how they may affect the security of policyholders' contractual rights, or for long-term insurance business, their reasonable expectations</p>	<p>Executive Summary Section 2</p>
<p>PRA 2.35 (1) FCA 18.2.38 (1)</p>	<p>For any mutual company involved in the scheme: Describe the effect of the scheme on the proprietary rights of members of the company, including the significance of any loss or dilution of the rights of those members to secure or prevent further changes which could affect their entitlements as policyholders</p>	<p>The Proposed Transfer does not involve any mutual companies or long-term insurance business</p>
<p>PRA 2.35 (2) FCA 18.2.38 (2)</p>	<p>State whether, and to what extent, members will receive compensation under the scheme for any diminution of proprietary rights</p>	<p>The Proposed Transfer does not involve any mutual companies or long-term insurance business</p>
<p>PRA 2.35 (3) FCA 18.2.38 (3)</p>	<p>Comment on the appropriateness of any compensation, paying particular attention to any differences in treatment between members with voting rights and those without</p>	<p>The Proposed Transfer does not involve any mutual companies or long-term insurance business</p>