

# Rothesay

The Post Building  
100 Museum Street  
London WC1A 1PB  
Phone: 020 7770 5300  
Web: rothesay.com

**Private and confidential**

**To the trustees of**

Dear Sirs

## **Proposed transfer from The Prudential Assurance Company Limited (“Prudential”) to Rothesay**

You are probably aware of this proposed transfer of part of Prudential’s annuity business to Rothesay. We are now writing to all of the trustees of pension schemes who have entered into an insurance contract with us (the “**Insurance Contract**”) since February 2019 regarding this proposed transfer. Please see the next page for background on the proposed transfer.

**Please be assured that the proposed transfer does not affect the terms and conditions of your contract with Rothesay.**

You do not need to take any action in response to this letter. However, we encourage you to consider communicating with your members in relation to the proposed transfer. If you require any assistance communicating to your scheme members, please contact us.

If, having read this letter, you feel concerned that you or your members may be adversely affected by the proposed transfer of policies from Prudential to Rothesay, you have the right to object as explained below.

### **Next steps**

If you have no objection to the proposed transfer, you do not need to take any further action. However, if you feel you or your members may be adversely affected by the proposed transfer in relation to your Insurance Contract, you have the right to object by contacting us (by telephone, email or in writing) using the contact details at the top of this letter. You may also object either by appearing in person or by an appropriate legal representative at the High Court hearing on 8 November 2021.

If you do wish to object, please let us know as soon as possible and preferably at least five business days before the hearing on 8 November 2021, and explain the reasons for your objection when you contact us. We will acknowledge all objections in writing. Your objections will be considered by the High Court, our regulators and the Independent Expert.

### **Key points**

- ➔ There will be a hearing to consider the proposed transfer at the High Court on 8 November 2021
- ➔ Should the judge approve the transfer at the hearing the transfer is expected to take effect on 15 December 2021
- ➔ The proposed transfer does not affect the terms and conditions nor the operation of your Insurance Contract
- ➔ The Independent Expert’s opinion is that the proposed transfer will not materially adversely affect Rothesay policyholders
- ➔ **Unless you want to object to the proposed transfer, you need take no action in response to this letter**

**Need this communication in large print, Braille or audio?**  
Please contact us using the details above.

# Rothesay

## Background information

In March 2018 Prudential agreed to transfer part of its annuity portfolio to Rothesay. At that time, Prudential and Rothesay entered into a reinsurance agreement which covered the liabilities in respect of the pension annuity policies included in the proposed transfer, pending completion of the transfer. As a consequence, Rothesay has been economically responsible for payment of these policies since March 2018. The purpose of the court process is to transfer the legal responsibility for the policies themselves to Rothesay which has the benefit of reducing some of the inefficiencies of the reinsurance arrangement in terms of both capital usage and administration of the policies.

In February 2019 we wrote to all of our policyholders regarding the proposed transfer which was subject to approval from the High Court. There was a hearing at the High Court in June 2019, following which the judge declined to approve the proposed transfer but granted Rothesay and Prudential the right to appeal the decision. On 2 December 2020 the Court of Appeal found that the High Court judge had made errors in his approach to assessing whether the transfer should be allowed to go ahead. The Court of Appeal ordered that the original decision of the High Court be set aside and the proposed transfer be considered again by the High Court. The proposed transfer is to be put before the High Court again for approval on 8 November 2021.

Whether or not the proposed transfer goes ahead, there will be no change to your Insurance Contract. The Independent Expert, appointed to advise the High Court regarding the proposed transfer, has confirmed that, in his opinion, the transfer will not materially adversely affect the security of benefits, benefit expectations or service standards and governance of our policyholders.

## The Scheme

The Scheme is a legal document detailing the proposed transfer. The transfer will not proceed unless an order sanctioning the Scheme is given by the High Court. Subject to the High Court sanctioning the Scheme and the satisfaction of certain conditions, the Scheme is expected to become effective at 00:01 a.m. GMT on 15 December 2021.

## Jersey and Guernsey schemes

Different legal requirements apply to the transfer of insurance business carried on in or from within Jersey and policies issued to residents of the Bailiwick of Guernsey and/or written under Guernsey law. However, there will be similar schemes to transfer such business in those jurisdictions. Please write to us, call us or refer to the website for more information if you would like more details about the schemes in Jersey or the Bailiwick of Guernsey (including details of the court hearings in Jersey and Guernsey and details if you wish to object to either of these schemes).

## Getting more information

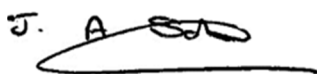
We have updated the dedicated webpages for this proposed transfer. Please see:  
**[rothesay.com/prudential-transaction](https://rothesay.com/prudential-transaction)**

The Document Library which is accessible from the above page includes updated versions of the:

- Scheme and a summary of the terms of the Scheme
- Independent Expert's full report and a summary of this report
- Report on this proposed transfer from Rothesay's Chief Actuary

If you cannot access our website, you can request copies by contacting us using the contact details at the top of this letter. Please do not hesitate to contact us if you have any queries or concerns regarding the proposed transfer.

Yours sincerely



Jonathan Sarkar  
Chief Operating Officer, Rothesay