

IN THE ROYAL COURT OF THE ISLAND OF JERSEY

(Samedi Division)

**IN THE MATTER OF THE REPRESENTATION OF
THE PRUDENTIAL ASSURANCE COMPANY LIMITED**

First Representor

- and -

ROTHESAY LIFE PLC

Second Representor

**AND IN THE MATTER OF AN APPLICATION PURSUANT TO ARTICLE 27 OF AND
SCHEDULE 2 TO THE INSURANCE BUSINESS (JERSEY) LAW 1996**

REPRESENTATION

**(originally signed and dated 30 January 2019 and amended with leave of the Royal
Court on 26 July 2021)**

1. Purpose of the Representation

This Representation relates to the proposed scheme (the **Jersey Scheme**, a copy of which is annexed to this Representation) for the transfer of certain long-term insurance business carried on in or from within Jersey (as defined in Article 1(1) of the Insurance Business (Jersey) Law 1996 (the **Insurance Law**), from The Prudential Assurance Company Limited (the **Transferor**), to Rothesay Life plc (the **Transferee**). The Jersey Scheme is intended to transfer such long-term insurance business from the Transferor to the Transferee (together the **Representors**) on the same terms as the terms of the insurance business transfer scheme pursuant to Part VII of the Financial Services and Markets Act 2000 (the **FSMA**) filed with the High Court of England and Wales (the **High Court**) on 22 January 2019 for its approval (the **UK Scheme**). The terms of the UK Scheme are incorporated into the Jersey Scheme as Schedule 1 to the Jersey Scheme. There is also a similar transfer scheme proposed in Guernsey.

2. Interpretation

Words and expressions used in this Representation, which are defined in the Jersey Scheme or the UK Scheme, shall bear the same meanings herein (save where they are expressly defined herein) unless the context otherwise requires.

3. Introduction

- (a) The Transferor was incorporated in England and Wales on 1 June 1881 and its registered number is 00015454. The Transferor is a wholly owned subsidiary of Prudential plc, a company incorporated in England and Wales on 1 November 1978 with registered number 01397169. Prudential plc is the ultimate holding company of the Prudential group of companies (the **Prudential Group**) and has a primary listing on the London Stock Exchange.
- (b) Rothesay Life plc was incorporated in England and Wales on 26 February 2007 and its registered number is 06127279. Rothesay Life plc is a subsidiary of Rothesay Holdco UK Limited, a company incorporated in England and Wales on 29 August 2013 with registered number 08668809.
- (c) Each of the Representors is an insurance company carrying on long-term insurance business from the UK to which the FSMA applies and each holds an authorisation under the FSMA.
- (d) Each of the Representors also holds a Category A permit to carry on long-term insurance business under the Insurance Law.
- (e) The transfer of the Transferred Business conducted by the Transferor will proceed pursuant to the UK Scheme, subject to approval being granted by the High Court.

- (f) The transfer of the Transferred Jersey Business is proposed pursuant to the terms of the Jersey Scheme in accordance with the provisions of Article 27 of and Schedule 2 to the Insurance Law, which requires the sanction of the Royal Court of Jersey (the **Royal Court**) to any scheme under which the whole or part of the insurance business of a permit holder is to be transferred to an insurance company or other permit holder.
- (g) The Jersey Scheme is intended to transfer business from the Transferor to the Transferee on the same terms as the terms of the UK Scheme and the equivalent scheme in Guernsey (the **Schemes**). Prudential plc has demerged to form two separately listed companies, namely, Prudential plc and M&G plc, which was initially announced in March 2018. Consequently, the Transferor is part of the demerged M&G corporate group, whose parent is M&G plc, and is no longer a subsidiary of Prudential plc. M&G plc is continuing its transformation into a more capital-efficient business, targeting growing demand for savings and investments solutions. It is proposed that the Schemes should continue in order to complete the transfer of the business to the Transferee.
- (h) The UK Scheme has the effect that:
- (i) if the transfer of any Transferred Jersey Policies pursuant to the Jersey Scheme is sanctioned by the Royal Court, with effect from the Jersey Transfer Date, such policies shall be treated for all purposes of the UK Scheme as if they were Transferred Policies with effect from the Transfer Date and, to the extent necessary to comply with the FSMA, shall also be transferred pursuant to the terms of the UK Scheme; and
 - (ii) if the Royal Court does not sanction the transfer of any Transferred Jersey Policies pursuant to the Jersey Scheme despite having the jurisdiction to do so, or if the Jersey Scheme is sanctioned by the Royal Court but the transfer of any Transferred Jersey Policies does not become effective by the Jersey Transfer Date, then such policies shall, with effect from the Jersey Transfer Date, be Excluded Policies under the UK Scheme and shall be fully reinsured by the Transferee without limit in time or amount on the terms set out in the Reinsurance Agreement until the Jersey Transfer Date.
- (i) Each of the Representors has agreed to appear by counsel at the hearing of this Representation to sanction the Jersey Scheme and undertake to be bound thereby and to execute all such documents and to do all such acts and things as may be necessary or expedient to be executed or done by it for the purposes of giving effect to the Jersey Scheme.

4. Independent Actuary's Report

- (a) Pursuant to paragraph 3 of Schedule 2 to the Insurance Law, an independent actuary, Nick Dumbreck of Milliman LLP, prepared a report in relation to the UK Scheme and the Jersey Scheme in 2019 (the **2019 Independent Actuary's Report**), which confirmed that his conclusions in relation to the UK Scheme apply equally to the Jersey Scheme.
- (b) Nick Dumbreck of Milliman LLP, the independent actuary appointed in relation to the Schemes, has prepared a new report pursuant to paragraph 3 of Schedule 2 to the Insurance Law (the **2021 Independent Actuary's Report**), which confirms that his conclusions in relation to the UK Scheme apply equally to the Jersey Scheme.

5. Notices and Availability of Documents

- (a) In accordance with the requirements of paragraph 4(a) of Schedule 2 to the Insurance Law, a notice of the presentation of this Representation containing the prescribed information will be published in the Jersey Gazette.
- (b) In accordance with the requirements of paragraph 4(c) of Schedule 2 to the Insurance Law, a copy of this Representation, the Independent Actuary's Report and the 2021 Policyholder Pack (as defined below) will be served on the Jersey Financial Services Commission (the **JFSC**) at least 21 days before the Representors seek an order sanctioning the Jersey Scheme.
- (c) In accordance with the requirements of paragraphs 4(d) and 5 of Schedule 2 to the Insurance Law, copies of this Representation and the Independent Actuary's Report will be made available:
 - (i) for inspection at the offices of Mourant Ozannes, 22 Grenville Street, St Helier, Jersey for a period of not less than 21 days beginning with the date of the first publication of the notice referred to in paragraph (a) above; and
 - (ii) for collection before the grant of an order sanctioning the Jersey Scheme.

6. Notification of Policyholders and Members

- (a) Paragraph 4(b) of Schedule 2 to the Insurance Law requires that, except where the Royal Court has otherwise directed, a statement setting out the terms of the Jersey Scheme and containing a summary of the Independent Actuary's Report sufficient to indicate the opinion of the actuary on the likely effects of the Jersey Scheme on the policyholders of the Representors be sent to:
 - (i) each of the policyholders of the Representors; and

(ii) every member of the Representors,

(the **Paragraph 4(b) Requirement**).

(b) The Paragraph 4(b) Requirement, in this case, means that the required statement should (except where the Royal Court has otherwise directed) comprise the following:

(i) a complete copy of the Jersey Scheme;

(ii) a complete copy of the UK Scheme which is incorporated in the Jersey Scheme; and

(iii) a sufficient summary of the Independent Actuary's Report.

(c) The Paragraph 4(b) Requirement, in this case, also means that such statement should (except where the Royal Court has otherwise directed) be sent to the following different classes of persons:

(i) every member of the Representors (the **Members**);

(ii) each of the policyholders of policies of the Transferor, including persons who hold or have an interest in policies issued as part of the business conducted by the Transferor in or from within Jersey; and

(iii) each of the policyholders of policies of the Transferee, including persons who hold or have an interest in policies issued as part of the business conducted by the Transferee in or from within Jersey.

(d) Following the directions of the Royal Court and the High Court, in 2019 the Transferor used reasonable endeavours to send a notification (each a **Policyholder Pack**) to the Notified Transferor Policyholders (as defined in paragraph 6(f) below). Every Policyholder Pack acknowledged that there will be a Jersey Scheme, and the information booklet in the pack included a statement that policyholders have a right to object to the Jersey Scheme.

(d1) Subject to the further directions of the Royal Court and the High Court, it is intended that the Transferor will use reasonable endeavours to send a notification (each a **2021 Policyholder Pack**) to the Notified Transferor Policyholders (as defined in paragraph 6(f) below). Every 2021 Policyholder Pack will acknowledge that there will be a Jersey Scheme, and the Information Booklet (as defined in paragraph 6(e) below) will include a statement that policyholders have a right to object to the Jersey Scheme.

(e) Subject to the further directions of the Royal Court and the High Court, it is intended that the Policyholder Pack will consist of:

- (i) a covering letter explaining the Representatives' intention to transfer business from the Transferor to the Transferee; and
- (ii) an information booklet (the **Information Booklet**) describing the proposed transfer, containing:
 - (1) a key information section;
 - (2) a summary of the terms of the UK Scheme;
 - (3) a summary of the 2021 Independent Actuary's Report;
 - (4) a Q&A section;
 - (5) a copy of the legal notice relating to the UK Scheme; and
 - (6) a glossary of terms.
- (f) Following the directions of the Royal Court and the High Court, in 2019 the Transferor used reasonable endeavours to send a Policyholder Pack to each policyholder of a Transferred Policy who was a "Notified Transferor Policyholder". A **Notified Transferor Policyholder** and together the **Notified Transferor Policyholders**, was defined to mean each policyholder of a Transferred Policy, whose name and address are held in the Transferor's computerised records as at the specified record date (which will be no more than two days before the issue date for each letter), subject to the qualifications in paragraph 66 of the first witness statement of Paul Christopher Shallis (the **First Transferor Witness Statement**) signed in connection with the UK Scheme. In relation to the 2019 mailing, the Notified Transferor Policyholders included persons who held or had an interest in policies issued as part of the business carried on in or from within Jersey by the Transferor but, for the reasons explained in paragraph 66 of the First Transferor Witness Statement, may not have been all such policyholders.
- (f1) Subject to the directions of the Royal Court and the High Court, it is intended that the Transferor will use reasonable endeavours to send a 2021 Policyholder Pack to each Notified Transferor Policyholder. The Notified Transferor Policyholders will include persons who hold or have an interest in policies issued as part of the business carried on in or from within Jersey by the Transferor but, for the reasons explained in paragraph 66 of the First Transferor Witness Statement, may not be all such policyholders.
- (g) Following the directions of the Royal Court and the High Court, in 2019 the Transferee used reasonable endeavours to send a short explanatory letter (each a **Policyholder Letter**) to each policyholder who was a "Notified Transferee Policyholder". A **Notified Transferee Policyholder** and together the **Notified**

Transferee Policyholders, was defined to mean each policyholder of the Transferee, whose name and address appear in the current names and address fields in the Transferee's electronic database as at the specified mailing extract record date (which will be no earlier than two weeks before the issue date of the relevant Policyholder Letter), subject to the qualifications in paragraphs 10.6 to 10.17 of the first witness statement of Antigone Loudiadis (the **First Transferee Witness Statement**) signed in connection with the UK Scheme.

- (g1) Subject to the directions of the Royal Court and the High Court, for the reasons explained in paragraphs 28 - 32 of the third witness statement of Antigone Loudiadis dated 13 July 2021, which is exhibit AMSJersey7 to the first affidavit of Andrew Mark Stoker (the **Third Transferee Witness Statement**), the Transferee does not intend to mail any further notice of the Schemes to its policyholders, except as described in paragraph (g2) below and to provide further information where specifically requested on an individual basis or in relation to queries or objections.
- (g2) The Transferee has written new business in the form of 26 buy-in or buy-out arrangements since it mailed its policyholders in 2019 (the **2019 Mailing**). The policyholder in each case was a pension scheme trustee, meaning that the number of new policyholders of the Transferee under such arrangements was 26 (together, the **New Scheme Trustees**). As the New Scheme Trustees did not receive formal notice of the application pursuant to the 2019 Mailing and, given that there is a material aggregate number of underlying beneficiaries of the relevant pensions schemes that are represented by the New Scheme Trustees, subject to the directions of the Royal Court and the High Court, it is intended that the Transferee will use reasonable endeavours to send a short explanatory letter (each a **2021 Policyholder Letter**) to each of the New Scheme Trustees who, according to electronic records, remain policyholders of the Transferee on the specified mailing extract date (which will be no earlier than 2 weeks before the issue date of each letter) (the **Notified New Scheme Trustees**).

7. Directions - Content of the Policyholder Pack and Policyholder Letter

In 2019, the Representors applied for directions dispensing with the Paragraph 4(b) Requirement in relation to the content of the Policyholder Pack and the Policyholder Letter and the Royal Court made an order granting directions on 4 February 2019. As such directions were sought and obtained on the basis of information and documentation available in 2019 and as the independent actuary has prepared a new report, the 2021 Independent Actuary's Report, the Representors apply for further directions dispensing with the Paragraph 4(b) Requirement in relation to the content of the 2021 Policyholder Pack and the 2021 Policyholder Letter on the grounds that:

- (a) the covering letter in the 2021 Policyholder Pack will be tailored for certain policyholders including, for policyholders with a current address in Jersey, to include additional information on the Jersey Scheme;
- (b) sending a complete copy of the Jersey Scheme and the UK Scheme would not generally be helpful to policyholders because of the length and technical nature of those documents;
- (c) the content of the 2021 Policyholder Pack is sufficient because it contains a summary of the terms of the UK Scheme and the 2021 Independent Actuary's conclusions in relation to the UK Scheme, as well as a statement to the effect that the Jersey Scheme will be implemented in Jersey on substantially the same terms as are contained in the UK Scheme and that the Independent Actuary's assessment and conclusions in relation to the UK Scheme apply equally to the Jersey Scheme;
- (d) the content of the 2021 Policyholder Letter is sufficient because it contains an explanation of the proposed transfer of business from the Transferor to the Transferee, including reference to the Jersey Scheme, and details of where to find more information on the website www.rothesay.com/prudential-transaction;
- (e) copies of this Representation, including the Jersey Scheme and the UK Scheme incorporated therein, and the 2021 Independent Actuary's Report will be made available:
 - (i) for inspection at the offices of Mourant Ozannes (Jersey) LLP, 22 Grenville Street, St Helier, Jersey for a period of not less than 21 days beginning with the date of the first publication of the notice referred to in paragraph 5(a) above;
 - (ii) for collection before the grant of an order sanctioning the Jersey Scheme;
- (f) the Representors will make available a complete copy of this Representation, the Jersey Scheme, the UK Scheme and the 2021 Independent Actuary's Report on the websites pru.co.uk/annuitytransfer and www.rothesay.com/prudential-transaction; and
- (g) the Representors will send a complete copy of the Jersey Scheme, the UK Scheme and the 2021 Independent Actuary's Report to any policyholder who requests a copy.

8. Directions - Recipients of the Policyholder Pack and the Policyholder Letter

In 2019, the Representors applied for directions dispensing with the Paragraph 4(b) Requirement in relation to the recipients of the Policyholder Pack and the Policyholder

Letter and the Royal Court made an order granting directions on 4 February 2019. The Representors apply for further directions dispensing with the Paragraph 4(b) Requirement in relation to the recipients of the 2021 Policyholder Pack and the 2021 Policyholder Letter on the grounds that:

- (a) the Members do not need to be sent a statement as required by paragraph 4(b) of Schedule 2 to the Insurance Law, the 2021 Policyholder Pack or the 2021 Policyholder Letter, on the basis that they are already aware of and have approved the proposed transfer;
- (b) the Transferor will use reasonable endeavours to send the 2021 Policyholder Pack to the Notified Transferor Policyholders described in paragraph 6(f) above (which excludes certain categories of policyholder, as detailed in the First Transferor Witness Statement, for example, the "gone-aways", "attorneys" and "deceased policyholders");
- (c) the policyholders of the Transferor whose policies will not transfer under the Schemes do not need to be sent a statement as required by paragraph 4(b) of Schedule 2 to the Insurance Law or the 2021 Policyholder Pack for the reasons explained in paragraphs 68 to 75 of the First Transferor Witness Statement;
- (d) the Transferee will use reasonable endeavours to send the 2021 Policyholder Letter to the Notified New Scheme Trustees described in paragraph 6(g2) above; and
- (e) the policyholders of the Transferee (other than the Notified New Scheme Trustees) do not need to be sent a statement as required by paragraph 4(b) of Schedule 2 to the Insurance Law or the 2021 Policyholder Letter for the reasons explained in paragraphs 28 - 32 of the Third Transferee Witness Statement;
- (f) other policyholders of the Representors may also become aware of the proposals pursuant to the UK Scheme and the Jersey Scheme because:
 - (i) a notice containing the prescribed information in relation to the Jersey Scheme will be published in the Jersey Gazette as described in paragraph 5(a) above;
 - (ii) a notice in the form approved by the UK Prudential Regulation Authority stating that an application pursuant to Part VII of the FSMA has been made shall be published in The Times (including the on-line version), The Financial Times, The Daily Telegraph (including the on-line version), The Sun, The Daily Mirror (including the on-line version), and The Daily Mail (including the on-line version) and The Daily Record (including the on-line version); and

- (iii) a copy of the summary of the UK Scheme and the summary of the Independent Actuary's Report, together with other documents relating to the UK Scheme and the Jersey Scheme, including actuarial reports and the full terms of the UK Scheme and the Jersey Scheme will also be available online at pru.co.uk/annuitytransfer and www.rothesay.com/prudential-transaction.

WHEREFORE THE REPRESENTORS PRAY THAT THIS HONOURABLE COURT DO MAKE THE FOLLOWING ORDERS:

- (a) THAT service of a statement as required by paragraph 4(b) of Schedule 2 to the Insurance Law upon each of the policyholders and on each member of each Representor be dispensed with;
- (b) THAT such other interim Order(s) be made as this Honourable Court shall deem appropriate;
- (c) THAT an Order be made pursuant to Schedule 2 of the Insurance Law sanctioning the Jersey Scheme;
- (d) THAT the Representors do within ten days from the date of such Order referred to in paragraph (c) above, or such longer period as the JFSC may allow, deposit two office copies of such Order with the JFSC; and
- (e) THAT such other Order(s) be made as this Honourable Court shall deem appropriate.

Dated this 19th day of January 2019.

And amended with leave of the Royal Court on 26 July 2021

Advocate for the Representors

The Representors' Address for Service:

Mourant Ozannes (Jersey) LLP
22 Grenville Street
St Helier
Jersey

Our ref: 8038373/74599284/8

Annex

Jersey Scheme