Report of the Chief Actuary of Utmost Life and Pensions Limited on the proposed transfer of business from Equitable Life Assurance Society

Rob Kerry, Chief Actuary

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Version 1.0

1. INTRODUCTION

1.1. PROPOSED SCHEME OF TRANSFER

This report considers the proposed transfer ("the Transfer") by means of a scheme under Part VII of the Financial Services and Markets Act 2000 ("the Transfer Scheme") of the business of Equitable Life Assurance Society ("ELAS") to Utmost Life and Pensions Limited ("Utmost Life" or "ULP"), with the exception of policies written under Irish or Germany law which will be excluded from the Transfer Scheme and remain in ELAS. Utmost Life forms part of the Utmost Group of Companies ("UGoC").

The Transfer Scheme works in conjunction with a Scheme of Arrangement ("the Arrangement") being established by ELAS. The Arrangement proposes to distribute all the available assets of the with-profits funds to policyholders. For with-profits policyholders, other than German policyholders who also have the right to participate in the surplus of ELAS, the Arrangement will convert with-profits benefits to unit-linked benefits, convert with-profits policies to unit-linked policies, and remove investment guarantees. The Arrangement is subject to a vote by the with-profits policyholders and approval by the Court.

For the Arrangement to proceed, the members of ELAS also have to approve making Utmost Life the sole member of ELAS. This will become effective at the same time as the Arrangement, at which point ELAS will effectively become a subsidiary of Utmost Life.

The Transfer Scheme will then transfer these converted policies, and all the other business of ELAS, except for policies written under Irish or Germany law, to ULP. The Transfer Scheme is subject to the approval of the High Court of Justice, Business and Property Courts of England and Wales (the "Court"). Parallel Schemes will be required to transfer the business carried on in Jersey and Guernsey which required the sanction of the courts in Jersey and Guernsey. The Transfer Scheme will not proceed unless the Arrangement goes ahead and both schemes are expected to be implemented on 1 January 2020, the "Implementation Date".

1.2. SCOPE AND PURPOSE OF THE REPORT

This report is written for ULP's Board ("the Board") in my capacity as Chief Actuary of ULP. Its purpose is to provide the Board of ULP with my assessment of the impact of the Transfer of the business of ELAS to ULP. I am a Fellow of the Institute and Faculty of Actuaries and was appointed as Chief Actuary of ULP on 13th December 2018.

The report may be used by the following in support of their assessments of the impact of the Transfer Scheme:

- the Chief Actuary ("CA") and With-Profits Actuary ("WPA") of ELAS;
- the WPA of ULP
- the Independent Expert ("IE") for the Transfer Scheme
- the Prudential Regulation Authority ("PRA") and the Financial Conduct Authority ("FCA"), together referred to as the "Regulators"; and
- the Court(s), to assist with the sanctioning of the Transfer Scheme

In particular, I have considered the impact of the Transfer Scheme on the financial security of ULP policyholders (section 6) and their benefit expectations (section 7). In section 8 I have also considered non-financial aspects, such as the likely impact on service standards, which ensure that policyholders are treated fairly. This report compares the position following the Transfer with the current position and considers the situation if the Transfer does not proceed.

I expect to provide an update on my opinions to the ULP Board in a supplementary report prior to the date of the court hearing to sanction the Transfer (the "Sanctions Hearing"). At this point I will be able to update my conclusions to reflect changes since the date of this report, in particular I expect to consider:

- any responses from EEA regulators following the PRA notifying them of the intention to carry out the Transfer;
- any concerns raised by ULP policyholders following receipt of the policyholder communications;
- the expected impact of any changes to the balance sheet or expected balance sheet post Transfer as a result of market or other movements; and
- any implications of the terms of Brexit on the Transfer.

The impact of the Arrangement on the policyholders of ELAS is outside the scope of this report.

1.3. REGULATORY AND PROFESSIONAL GUIDANCE

In preparing this report I have taken account of relevant professional standards and Technical Actuarial Standards as published by the Actuarial Profession and the Financial Reporting Council, in particular: APS L1: Duties and Responsibilities of Life Assurance Actuaries, APS X2: Review of Actuarial Work, TAS 100 (Principles for Technical Actuarial Work and TAS 200 (Insurance). I do not believe there have been any departures from these standards in performing this work. This report has been peer reviewed for the purposes of APSX2 by Feryal Nadeem, the Chief Risk Officer of ULP.

1.4. RELIANCES AND LIMITATIONS

In preparing this report I have relied on the accuracy and completeness of data and information provided to me, both written and oral, by ELAS and the Utmost Group of Companies. Key aspects that have been relied on include, but are not limited to:

- Explanation of the impact of the Arrangement on ELAS policies, noting that the Transfer Scheme cannot proceed if this Arrangement does not proceed.
- Explanation of the management of the German and Irish business that will remain within ELAS.
- The availability of capital sourced within the Utmost Group of Companies to meet the capital requirements of ULP on the Implementation Date.

My report also relies on analysis that has been carried out internally on the effect of the Transfer on the capital position of ULP. I have relied on these being materially correct given the reliance on information provided by ELAS.

2. SUMMARY OF CONCLUSIONS

2.1. SECURITY OF POLICYHOLDER BENEFITS

I have considered the security of the existing ULP policyholders before and after the Transfer and am satisfied that the level of capital coverage will be maintained at a level sufficient to provide adequate security for policyholder benefits.

2.2. POLICYHOLDER BENEFIT EXPECTATIONS

I am satisfied that the Transfer Scheme does not change the level of expected benefits for the existing Utmost Life policyholders. In particular the terms of the policies remain unaltered by the Transfer Scheme, including any options or guarantees included in the contracts as well as the benefits payable on surrender, maturity, or any other insured event occurring.

2.3. GOVERNANCE AND SERVICE STANDARDS

I am satisfied that the Transfer Scheme does not adversely affect the level of oversight and governance of the fair treatment of Utmost Life policyholders. The existing Service Standards for Utmost Life and Pensions will continue to apply after the transfer.

2.4. COMMUNICATION WITH POLICYHOLDERS

I am satisfied with the proposed arrangements for communicating with existing ULP policyholders, for responding to any questions or comments on the proposed Transfer and the related management information.

3. BACKGROUND

3.1. SOLVENCY REGIME

SOLVENCY II

Insurance firms have been required to assess solvency under a European wide regime known as Solvency II since 1 January 2016. This regime sets out a framework for the valuation of a company's assets and liabilities as well as the capital required to support the business using market consistent techniques.

Under the Solvency II regime, companies are required to hold sufficient assets to cover a best estimate assessment of their liabilities ("BEL"), a Solvency Capital Requirement ("SCR") and a Risk Margin which represents the cost of transferring the non-hedgeable risks to another insurer. The BEL and Risk Margin combined are known as the Technical Provisions.

Companies may calculate the SCR using either a Standard Formula, as defined in the Solvency II rules, or using their own Internal Model, which must be approved by the local regulator. The SCR is designed to ensure that a company has sufficient capital to meets its obligations to policyholders after adverse events. The adverse events are set at such a level which is only expected to happen once every 200 years. Both ELAS and ULP calculate their SCR using the Standard Formula approach and are expected to continue to use this approach after the Transfer Scheme.

Subject to approval by the local regulator, insurance companies can use certain adjustments in determining their Solvency II results. These adjustments include the following:

- Transitional Deductions ("TD"), which are designed to gradually 'smooth in' the impact of any increases in Technical Provisions over a period of 16 years from those required under the previous solvency regime, subject to certain conditions.
- Matching Adjustment ("MA") and Volatility Adjustment ("VA"), which are adjustments to the risk-free interest rate used to discount future insurance liability cash flows. The MA allows companies to recognise the additional return that it expects to earn on certain assets that it holds to match specific long term illiquid liabilities. The VA is set in accordance with the Solvency II Directive by the European Insurance and Occupational Pensions Authority ('EIOPA') and aims to limit the impact of market volatility on the solvency position of an insurer.
- In addition, the Standard Formula approach can be determined using an Equity Transitional adjustment, which lowers the capital requirement for equity investments held prior to 1 January 2016. The benefit of this arrangement is phased out linearly over 6 years from 1 January 2016.

ULP makes use of the MA on two portfolios, and the TMTP. ELAS uses the TMTP. The Equity Transitional arrangement is applied to the ELAS legacy Unit-Linked business.

Under Solvency II, Own Funds are the excess of assets over the Technical Provisions, subject to any restrictions. Own funds available to cover the SCR at a company level exclude any assets in excess of the notional SCR for a ring-fenced fund such as a With-Profits Sub-Fund or a Matching Adjustment portfolio. SCR coverage is the ratio of Own Funds to SCR and can be used as a measure of the financial strength of an insurance company.

3.2. POLICYHOLDER PROTECTION

FINANCIAL SERVICES COMPENSATION SCHEME (“FSCS”)

In the event of the insolvency of a UK authorised insurer, and subject to certain eligibility criteria, the FSCS provides protection for 100% of claims relating to long-term insurance benefits. This provides an additional layer of protection for policyholders in addition to the solvency regime.

3.3. BACKGROUND TO THE UTMOST GROUP OF COMPANIES AND UTMOST LIFE AND PENSIONS

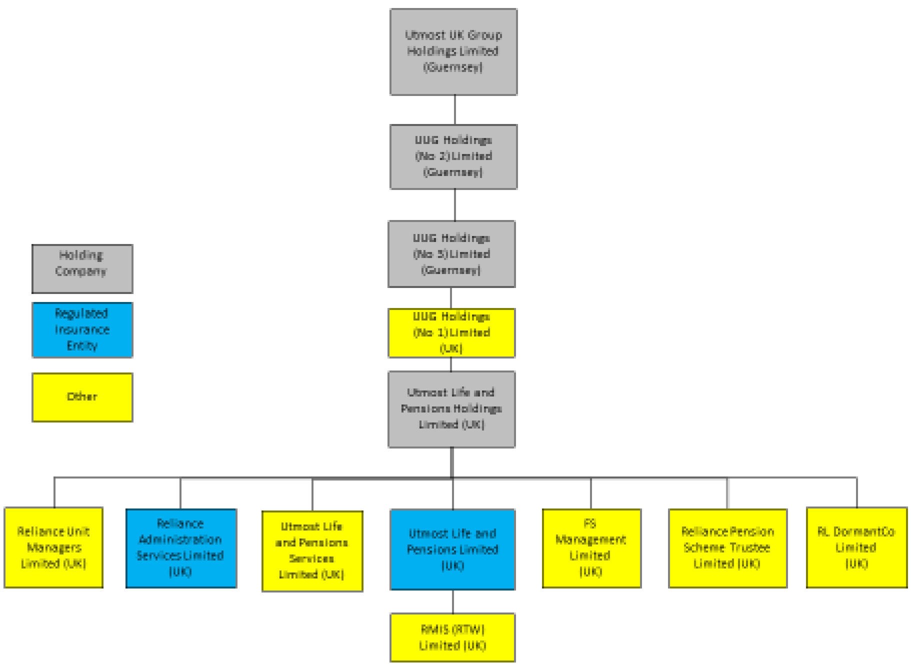
THE UTMOST GROUP OF COMPANIES

The Utmost Group of Companies is a specialist life insurance group founded in 2013 with the aim of acquiring and managing life insurance business across the UK and Europe. It is backed by funds managed by Oaktree Capital Management (“Oaktree”), a leading investment management firm which is listed on the New York Stock Exchange and is regulated by the Securities Exchange Commission.

Utmost Life is owned by Utmost Life and Pensions Holdings Limited, which is a private parent company forming part of the group under Utmost UK Holdings Limited in Guernsey. Utmost Life and Pensions Limited corporate structure is illustrated in Diagram 1.1 below.

The capital policy of the Utmost Group of Companies is based on maintaining a level of SCR coverage on a solo basis for the insurance companies within the group. The policy as applied in Utmost Life and Pensions Limited requires Own Funds to be maintained above 135% of SCR at all times. Any Own Funds in excess of 150% of SCR are available to pay debt interest or dividends to a parent company within the group. Changes to the capital policy require approval by the Board of Utmost Life and Pensions Limited.

Diagram 1.1



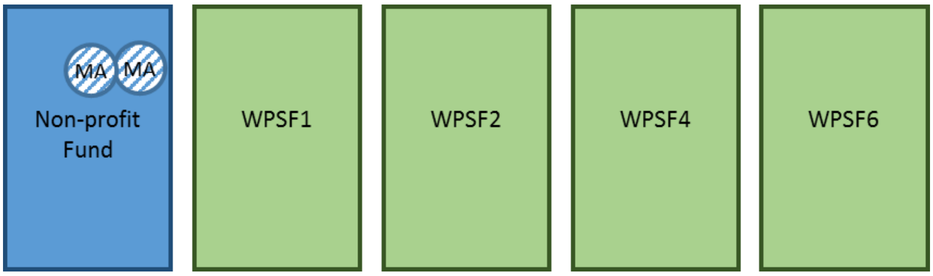
UTMOST LIFE AND PENSIONS ("UTMOST LIFE")

UGoC formed Utmost Life and Pensions Limited, which was incorporated as a UK company on 12 January 2017, to become its platform for acquisitions in the UK. Utmost Life is located in the UK and was authorised by the PRA in late 2017. It is regulated by both the PRA and the FCA and acquired the business of Reliance Mutual Insurance Society ("RMIS") on 1 April 2018. RMIS remains a subsidiary of ULP in order to facilitate the payment of the proceeds of the transfer to former members of RMIS, who were also policyholders of RMIS. RMIS was de-authorised as an insurance company in June 2018 and renamed RMIS (RTW).

Utmost Life is a direct subsidiary of Utmost Life and Pensions Holdings Limited UK, whose other subsidiaries include Utmost Life and Pensions Services Ltd (UK) ("ULP Services"). The current ULP staff are employed by ULP Services. RMIS has four other (non-insurance) subsidiaries, which are not shown in Diagram 1.1, none of these being material.

Utmost Life has four With-Profits sub-funds ("WPSF") and a non-profit sub-fund ("NPF"). The sub-funds are illustrated in Diagram 1.2.

Diagram 1.2 – Fund Structure of ULP



The NPF contains two matching adjustment ("MA") portfolios of assets used to back portfolios of immediate annuities and funeral plans. Other business within NPF is non-profit and includes unit-linked and conventional Ordinary Branch business and conventional Industrial Branch business. Utmost Life is currently closed to new business, other than a small volume of annuity contracts written as a result of vesting pensions business.

WPSF1 contains ex Reliance Mutual Insurance Society policies, WPSF2 contains ex Criterion Assurance policies, WPSF4 contains ex Family Assurance policies and WPSF6 contains ex Hearts of Oaks Friendly Society policies. I have included more details of the origin of these sub-funds and the business contained in them in Appendix B.

3.4. BACKGROUND TO ELAS

ELAS

The Equitable Life Assurance Society was established in 1762 as the Society for Equitable Assurances on Lives and Survivorships. It was registered as an unlimited company with its current name on 18 August 1892. ELAS is a mutual organisation set up and run for the benefit of its members, who are effectively the with-profits policyholders.

ELAS is authorised in the UK by the PRA. It is regulated by the PRA and the FCA. The Society is authorised by the PRA to effect and carry on insurance policies in long term insurance authorisation classes I (Life and annuity), II (Marriage and birth), III (Linked long-term), IV (Permanent health), VI (Capital redemption) and VII (Pension fund management).

Following the Scheme of Arrangement, ELAS's business will be made up of a range of non-profit and unit-linked products, and a small number of with-profits policies issued in Germany, summarised in the table below.

Type of Business	Policy Count at 31 Dec 2018 (post Scheme of Arrangement
Unit – Linked	160,617
Other Non-Profit	23,133
Group Schemes [1]	144,265
With-Profit	
UK- Style	327
German - style	153
Total	**328,495**

Notes 1: Number of Group Scheme Members

Further details of the business and history of ELAS can be found in Appendix B of the report of the Chief Actuary of ELAS.

4. OUTLINE OF THE TRANSFER SCHEME

4.1. EFFECT AND PURPOSE

The effect of the Transfer Scheme is to transfer the business of ELAS to Utmost Life, except for policies written under Irish or Germany law which will be excluded from the Transfer Scheme and remain in ELAS. The Transfer Scheme also transfers the investment management, reinsurance and administration contracts that support the management of the transferring business. The Transfer Scheme is expected to take effect from 1 January 2020. The Transfer Scheme cannot proceed unless the Scheme of Arrangement also proceeds and the two schemes are expected to be implemented on the same date.

The purpose of the Arrangement is to remove any guarantees contained in a Scheme Policy that ELAS will pay benefits at a level which is determined by or calculable by reference to an interest rate fixed at the outset of the policy and the amounts which have been paid in premiums and the period of time for which the premium or premiums have been invested ("Guaranteed Investment Return") for all with-profits policyholders. Policies that are subject to German law are not part of the Arrangement and will continue to benefit from any investment guarantees. The Arrangement will not make any changes to existing guaranteed annuity rate options ("GARs") or guaranteed minimum pension rights ("GMPs"). Scheme Policies are With-Profits policies of ELAS, except those that are subject to German law, and those policies who invest in with-profits by virtue of being a member of ELAS' FSAVC Scheme. It is proposed that Scheme Policies which are not already Unit-Linked will be converted into Unit-Linked policies and all With-Profits investments of Scheme Policies will be re-directed into Unit-Linked funds. There are also policies which contain the right to invest in with-profits benefits by payment of premium or switching of investments and the Arrangement will remove these rights from such policies ("Switching Policies").

The Transfer Scheme will also create a new German With-Profits Fund in ELAS to which all policies written under German law will be allocated. With-profits policyholders who are subject to German law will remain with-profits policyholders in ELAS and their benefits will be determined by participation in a ring-fenced With-Profits Fund. Policies written under Irish law will remain in the Main Fund of ELAS.

Provided that the members pass the vote to change the Articles of ELAS, which is a condition of the Arrangement becoming effective, Utmost Life will become the single member of ELAS. All other policy guarantees and policy terms will remain in place. This enables the distribution of ELAS's surplus assets to uplift the value of the Scheme Policies which are then converted Unit-Linked policies. Holders of Scheme Policies, including Switching Policies, will be entitled to apply to ELAS for a compensation payment of a fixed £1 per policy.

The purposes of the Transfer Scheme is to contribute to the growth strategy of Utmost Life acquiring and managing life insurance business, improve the capital efficiency of the Utmost group, and reduce the negative consequences of diseconomies of scale that are otherwise likely to be experienced by both ELAS and ULP as policies mature or run-off.

4.2. KEY FEATURES OF THE TRANSFER SCHEME

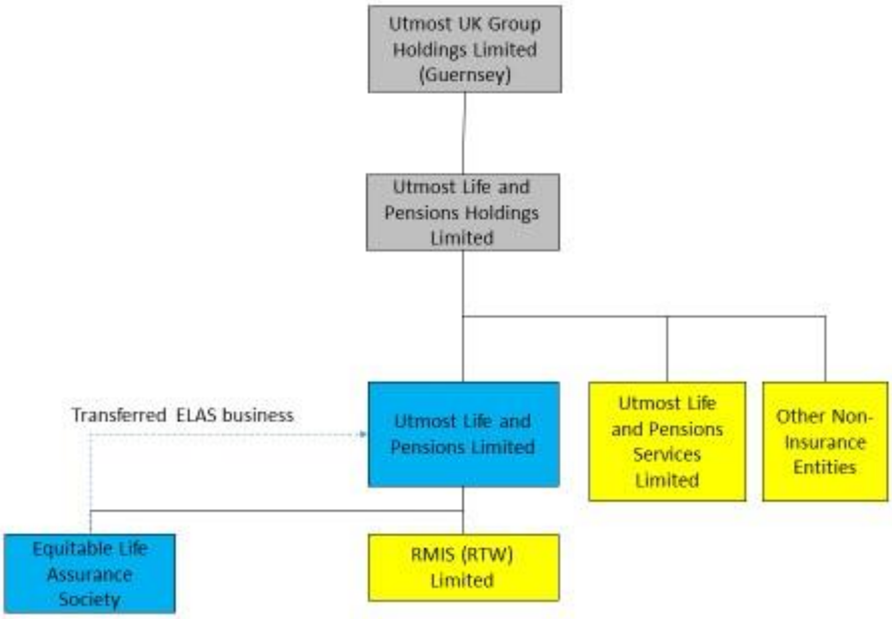
4.2.1. FUND AND COMPANY STRUCTURE

The fund structure of Utmost Life will be unchanged by the Transfer Scheme.

All of the policies, assets and liabilities of ELAS, except those written in Ireland or Germany, will be transferred and allocated by the Transfer Scheme to the NPF of ULP. ELAS will become a subsidiary of ULP (also allocated to the NPF) as a result of ULP becoming the sole member of ELAS, approved through a change of control. If any policies, other than those written in Ireland or Germany, are excluded from the Transfer, for example if the Jersey Court does not sanction the parallel Jersey Transfer Scheme, these policies will remain in ELAS and be fully reinsured to ULP through an excluded policies reinsurance agreement and will be administered by ULP Services.

This is illustrated in Diagram 4.1.

Diagram 4.1 impact of the Transfer Scheme – company structure of Utmost UK Group Holdings post transfer



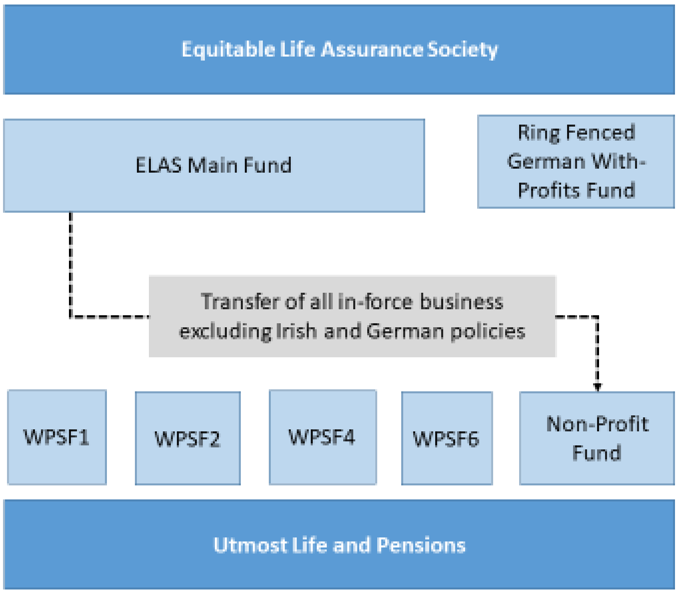
4.2.2. TRANSFERRING ASSETS AND LIABILITIES

The intention of the Transfer is that the assets and liabilities of ELAS, except those in relation to the policies written in Ireland or Germany, will transfer to Utmost Life. Specifically:

- The transferring policies will be allocated to the NPF of Utmost Life;
- Business written in Ireland or Germany will remain in ELAS;
- Assets backing the new unit-linked business, created by the Scheme of Arrangement, will initially be transferred into the Secure Cash Investment fund. These assets will be transferred to an identical fund in Utmost Life. They will be transferred over time into either the fund chosen by the policyholder or the default option funds established under the Scheme of Arrangement.
- The annual management charges on unit-linked business transferred from ELAS will not exceed 75 basis points except in particular circumstances defined in the Transfer Scheme;
- Assets backing all other liabilities and assets in excess of liabilities will be allocated to the NPF of Utmost Life;
- The reinsurance arrangements between ELAS and other counterparties will be transferred to ULP, with the exception of those that relate solely to the business written in Ireland and Germany;
- Where reinsurance arrangements or other contracts relate to both the transferring business and the business that remains in ELAS, these contracts will be split so that the term that relate to each block of business is unchanged.
- For any policies, other than those written in Ireland or Germany, that cannot be transferred a reinsurance arrangement will be put in place between ELAS and ULP with effect from the Implementation Date of the Transfer Scheme if necessary.

This is illustrated in Diagram 4.2.

Diagram 4.2 Illustration of Transfer of Policies from ELAS to ULP



ELAS will become a subsidiary of ULP, to be approved by the PRA under a change of control procedure. ELAS will remain capitalised with its own capital policy in line with the Utmost Group approach.

If it is not possible to transfer liabilities under the Transfer Scheme at the Implementation Date (the 'Excluded Policies'), except for the policies written in Ireland or Germany, they will be reinsured to and administered by Utmost Life. It is not expected that there will be any liabilities that do not transfer, but if there are Utmost Life would try to resolve the issue that prevented their transfer, so that they could be transferred soon after. The Excluded Policies reinsurance arrangement means that the policies will be treated as if they had transferred, so it should not result in any adverse impacts for policyholders.

4.2.3. INVESTMENT OPTIONS FOR ELAS CONVERTED UNIT LINKED POLICIES

One of the effects of the Arrangement is to convert existing with-profits policies of ELAS into unit-linked policies and to redirect any existing with-profits investment element of policies into unit-linked funds. Policyholders for these contracts will be offered a choice of any of the existing ELAS investment funds or into newly created unit-linked funds, which are being established in connection with the Arrangement. Initially the with-profits policies will be invested in the Secure Cash Investment fund. On the Transfer these funds will move into a corresponding newly established linked-fund in Utmost Life with the same number and value of units as existed immediately before the transfer. Their funds will then be switched in to the unit-linked fund of their choice, or into the default investment strategy if no choice is made, over a period of time after the transfer.

4.2.4. PROVISIONS FROM PREVIOUS SCHEMES

ULP's business is managed in line with provisions that were put in place by the Scheme of Transfer of the business from RMIS, effective on 1 April 2018 ("the 2018 Scheme"). The provisions of the 2018 Scheme remain in place under the new Transfer Scheme.

Key provisions from these previous schemes that are maintained include:

- Terms and charges relating to capital support that will be provided by the NPF to the WPSFs if required;
- Terms relating to the future closure of WPSFs, when they fall below a certain size (including the conversion of With-Profits policies into Non-Profit policies);
- Terms relating to the opening, closure or merger of unit-linked funds;
- The basis on which expenses are charged to WPSF 1, 2, 4 and 6; and
- Governance of the implementation of the 2018 Scheme through the ULP With-Profits Committee ("WPC") for a period of two years following the Effective Date of the 2018 Scheme.

4.2.5. MANAGEMENT OF THE BUSINESS (INCLUDING GOVERNANCE)

The staff of ELAS are expected to be employed by ULP Services in the future, as a consequence of the Transfer. Utmost Life has agreed to use reasonable endeavours to procure that they continue to administer the policies transferred from ELAS to an equivalent standard to that provided by ELAS in respect of unit-linked and annuity policies during the 12 months prior to the Transfer Implementation Date for a period of at least 12 months following the Transfer Implementation Date.

The Transfer Scheme will not change Utmost Life's responsibility for the administration of the existing policies of Utmost Life and Pensions. Utmost Life and Pensions has a Service Standards policy, overseen and reviewed annually by the Risk and Compliance Committee under authority delegated by the Board. The standards are monitored to ensure that they meet internal and external regulatory and best practice requirements. The policy sets detailed standards for the level of access policyholders have to customer services, including by phone, email and letter and the inclusion of contact details on the Utmost Life and Pensions website. The policy sets out requirements for the timeliness, tracking and quality of responses to customers. This policy will continue to apply and will not be affected by the Transfer Scheme. There are no changes planned to internal processes or systems that are used to administer the existing ULP policies.

The existing Utmost Life capital policy will remain unchanged. Capital will be injected into ULP such that following the Transfer the SCR coverage of Utmost Life will be at least 150% at the Implementation Date

Key policies adopted by the Board of Utmost Life on the transfer of business from RMIS will be maintained and continue to provide protection for both existing and future ULP policyholders. These include:

- The PPFM for the Utmost Life and Pensions with-profits funds,
- The policy for the management of non-profit discretion, and
- The service standards policy

The management of the business after the Transfer is discussed in more detail in Section 8.

4.2.6. COSTS OF THE TRANSFER SCHEME

Each of ELAS and ULP will pay their own costs associated with the Transfer Scheme. Certain costs, including counsel's costs and the cost of the IE, which are incurred jointly will be split equally between ULP and ELAS. Any costs incurred by ULP will be charged to the NPF.

5. FINANCIAL IMPACT OF THE TRANSFER SCHEME

5.1. ESTIMATED BALANCE SHEETS

Estimated balance sheets for ULP showing the solvency position on a Solvency II basis pre and post Transfer are shown below. These values are estimates and the final position will be dependent on many factors. My supplementary report will provide an update based on the most recently available results.

The solvency of ULP, which is important for the analysis of the security of policyholder benefits, can be impacted by the capital position of the WPSFs. If there are insufficient assets within a WPSF to meet its liabilities and capital requirements, support will be provided by the NPF. For WPSF1, all assets distributed to meet benefits, and the ability to meet its capital requirements takes into account the value of future discretionary benefits and any surplus assets in the fund. For WPSFs 2, 4 and 6 all assets are assumed to be distributed in bonuses and therefore included within the value of future discretionary benefits. Within the WPSFs the policyholders share in the experience of the fund and therefore the future discretionary benefits are available to meet the solvency capital requirements of the fund, excluding operational risk. Capital support is only required from the NPF to meet operational risk and if the future discretionary benefits are insufficient to cover the remaining capital requirements.

5.1.1. ULP PRE TRANSFER BALANCE SHEET

Table 5.1 shows the base balance sheet for ULP before the Transfer. This is based on the 31 December 2018 Solvency II results.

Table 5.1 ULP balance sheet as at 31 December 2018 before Transfer

31 December 2018 £m	NPF	WPSF1	WPSF2	WPSF4	WPSF6	Total
Assets	1,366.3	29.7	12.3	118.9	99.4	1626.6
Reinsurance	-10.1	0.0	0.0	-5.2	0.0	-15.3
Assets	**1,356.3**	**29.7**	**12.3**	**113.7**	**99.4**	**1,611.3**
Best Estimate Liability						
BEL (excl. FDB)	1,243.3	5.0	6.5	88.8	78.8	1422.5
Future Discretionary Benefits (FDB)	0.0	7.1	5.8	24.8	20.5	58.2
Risk Margin	30.0	0.0	0.0	0.3	0.3	30.6
Transitional Deduction (TD)	-33.0	0.0	0.0	-0.3	-0.3	-33.6
Technical Provisions (Post - TD)	**1,240.3**	**12.1**	**12.3**	**113.7**	**99.4**	**1,477.7**
Own Funds	**116.0**	**17.6**	**0.0**	**0.0**	**0.0**	**133.6**
Ring Fenced Fund Restriction	0.0	-15.9	0.0	0.0	0.0	-15.9
Tier 2 Capital Restriction	-2.7	0	0	0	0	-2.7
Eligible Own Funds	**113.3**	**1.7**	**0.0**	**0.0**	**0.0**	**115.0**
Solvency Capital Requirement	**61.9**	**1.7**	**0.1**	**0.5**	**0.4**	**64.6**
Solvency Coverage Ratio						**178%**

5.1.2. ULP POST TRANSFER BALANCE SHEET

Table 5.2 shows the estimated balance sheet of ULP, assuming the Transfer occurred at 31 December 2018.

ULP's capital policy requires the SCR coverage of Utmost Life to be at least 150% as at the Implementation Date and a capital injection from the Utmost Group of Companies into Utmost Life to achieve this level of coverage has been included in the assets of NPF post-transfer.

Table 5.2 Utmost Life estimated balance sheet as at 31 December 2018 post Transfer.

31 December 2018 £m	NPF	WPSF1	WPSF2	WPSF4	WPSF6	Total
Assets	7,381.8	29.7	12.3	118.9	99.4	7641.1
Reinsurance	346.3			-5.2		341.1
Assets	**7,728.2**	**29.7**	**12.3**	**113.7**	**99.4**	**7,9832.2**
Best Estimate Liability						
BEL (excl. FDB)	7,363.2	5.0	6.5	88.8	78.8	7542.4
Future Discretionary Benefits (FDB)		7.1	5.7	24.6	20.3	57.6
Risk Margin	80.6	0.0	0.0	0.3	0.3	81.3
Technical Provisions (Post - TD)	**7,443.9**	**12.1**	**12.3**	**113.7**	**99.4**	**7,681.3**
Own Funds	**284.3**	**17.6**	**0.0**	**0.0**	**0.0**	**301.9**
Ring Fenced Fund Restriction		-15.9				-15.9
Eligible Own Funds	**284.3**	**1.7**	**0.0**	**0.0**	**0.0**	**285.9**
Solvency Capital Requirement	**187.9**	**1.7**	**0.1**	**0.5**	**0.4**	**190.6**
Solvency Coverage Ratio						**150%**

The Transfer Scheme would trigger a recalculation of the Transitional Deduction and if so, the approach it would take given the nature of the Arrangement means that the transferring business is different from the business of ELAS when Solvency II was implemented on 1 January 2016. I expect that following a recalculation ULP would be unable to recognise a Transitional Deduction. The table above therefore shows the capital position of Utmost Life post transfer with no Transitional Deduction.

5.1.3. KEY IMPACTS

The Capital Policy SCR coverage illustrates the continued security for policyholders as a result of the injection of assets to a coverage level of 150%, as required by ULP's capital policy. The capital injection required to achieve a coverage level of 150% has been guaranteed by Oaktree.

There is no impact on the coverage for benefits in the with-profits sub-funds. These continue to have their own ring fenced assets which are not affected by the Transfer. These funds do however benefit from the security provided by the company level SCR coverage and capital support from the Non Profit Fund.

In conclusion I am satisfied that there will be no adverse impact on policyholder security as a result of the Transfer.

6. IMPACT ON SECURITY OF POLICYHOLDER BENEFITS

6.1. CAPITAL COVERAGE

The primary indicator of security of benefits under the ULP policies after the Transfer is the financial strength of ULP and this is derived principally from the level of assets held to back the liabilities and the capital held in ULP. This is illustrated by the SCR coverage figures shown in Section 5.1. Under its existing capital policy, Utmost Life could pay a dividend provided that the solvency coverage level remains above 150%. The change in the capital coverage for Utmost Life from 178% to 150% does not therefore represent a materially adverse change in the security of policyholder benefits.

The security of benefits is also affected by the risk profile of the company. The table below compares the top 5 risks before and after the transfer, and the percentage of the total undiversified risk capital. The nature of the top 5 risks is unchanged, although there is greater exposure to lapse, equity and expense risk arising from the greater concentration of unit-linked business. There is a temporary increase in counterparty risk due to the initial transfer of the converted ELAS with-profits business into a Secure Cash Investment fund for the first 12 months following the transfer. This change in the risk profile is reflected in the SCR and is therefore recognised in the extent of capital that is held to cover these risks.

Before Transfer	After Transfer
Spread (15%)	Lapse (23%)
Equity (6%)	Spread (16%)
Expense (6%)	Expense (14%)
Longevity (5%)	Equity (10%)
Lapse (4%)	Longevity (6%)

In addition, financial strength (and therefore security of benefits) is also affected by the options available to a company to increase its SCR coverage following adverse experience. These options include the ability to take management actions (for example hedging the risks from exposure to volatile assets such as equities) or to raise additional capital. These are not changed as a result of the Transfer.

6.1.1. CAPITAL POLICY

The capital policy for Utmost Life requires that the minimum solvency coverage level of 150% applies following payment of a dividend or debt payments. I believe that this element of the capital policy is important for the protection of policyholder security, particularly in the context of the Utmost's business plan. The capital policy can only be changed with the approval of the Board.

6.1.2. OTHER

Security is also provided by the Financial Services Compensation Scheme (FSCS) in the event of insolvency of Utmost Life and there is no change to this protection as a result of the Transfer.

6.2. NON-PROFIT POLICYHOLDERS CURRENTLY IN NPF

Security for business currently in the NPF of Utmost Life will primarily be a result of the capital coverage of Utmost Life and other aspects discussed in Section 6.1.1. The estimated balance sheets in Section 5.1 show that the transfer of business maintains the SCR coverage at a minimum of 150% of SCR. This is the same level as is set out in the current capital policy of ULP.

Security could be negatively (or positively) impacted by the future events that affect Utmost Life. However, the Utmost Life capital policy ensures that, in order to maintain dividend and debt payments following a material transaction, the capital coverage would be restored to 150%, which provides the required protection for the ULP policyholders. I therefore do not expect there to be a material change in either the contagion risk or the benefit security for any existing ULP non-profit policyholders as a result of the Transfer

6.3. POLICYHOLDERS IN THE WITH-PROFITS SUB-FUNDS

The primary indicator of security for these policyholders is the level of assets in the WPSF to be able to meet the liabilities. These are not impacted by the Transfer. These policyholders benefit from the SCR coverage of Utmost Life as a whole and the levels of capital available to provide capital support if required, and so are exposed to contagion risk from the risks in the non-profit fund. The level of SCR coverage is maintained above the capital policy level of 150% after the implementation of the Transfer Scheme, and the absolute level of surplus capital in the non-profit fund is increased after the Transfer Scheme. I therefore do not expect there to be a material change in either the contagion risk or the benefit security for any existing ULP with-profits policyholders as a result of the Transfer.

7. IMPACT ON POLICYHOLDER BENEFIT EXPECTATIONS

7.1. INTRODUCTION

In this section, I consider whether the Transfer Scheme has a materially adverse effect on the benefit expectations of existing ULP policyholders. There is greater chance that a policyholder benefit could be impacted where there is discretion in the management of the business, and so I have considered the following types of policy separately, based on the different levels of discretion:

- Non-Profit business (other than Unit-Linked);
- Unit-Linked business; and
- With-Profits business

In this section I do not discuss the fact that lower benefits may be paid in the unlikely event of insolvency, my analysis of the security of benefits being set out in Section 6.

My analysis of the impact on benefit expectations relies on the following two key policies, the policy for the management of non-profit discretion and the PPFM.

7.1.1. POLICY FOR THE MANAGEMENT OF NON-PROFIT DISCRETION

This policy was adopted by the Utmost Life Board prior to the transfer of business from RMIS. The key elements covered in this policy are:

- Bases used for alterations to policies (including discontinuance).
- Charges applied to policies (primarily unit-linked contracts).
- Unit-linked pricing and fund changes.

This policy can only be changed by the Board subject to the approval of the Chief Actuary.

There are no changes to this policy as a result of the Transfer.

7.1.2. PPFM

The PPFM for existing ULP business in Utmost's With-Profits Sub-Funds is not being changed as a result of the Transfer Scheme.

7.2. NON-PROFIT POLICYHOLDERS (EXCLUDING UNIT-LINKED)

The main areas of discretion on this type of business relate to bases used when a policy is discontinued or altered, including the basis used where a policyholder exercises an option within their contract. These are regularly reviewed in line with the Policy for Non-Profit Discretion. There are no changes to these bases as a result of the Transfer Scheme.

7.3. UNIT-LINKED POLICYHOLDERS

There is a greater level of discretion with respect to unit-linked policies than other non-profit policies. This is primarily through charges that can be changed on these contracts and the governance of changes to unit-linked funds. As with the non-profit discretionary features, these are covered by the Policy for Non-Profit Discretion.

Following the transfer of business from RMIS, the ULP Board confirmed that unit-linked annual management charges would not be increased as a result of reduced solvency, and this is unchanged by the Transfer.

Another area which can impact the benefits of unit-linked policies is the management of the unit funds and the choice of funds available to policyholders. Any such changes would be subject to appropriate review and approval. There are no changes to the existing unit-linked funds as a result of the Transfer, with each current unit-linked fund remaining in Utmost Life.

Unit-linked policies are also impacted if unit-linked funds are closed or merged. The existing provisions to close or merge funds are set out in the previous Scheme of Transfer of RMIS business and will continue to apply after the Transfer. The transferring ELAS unit-linked funds are being invested in comparable newly created unit-linked funds in ULP, rather than any of the existing unit-linked funds and therefore there is no impact on existing ULP unit-linked policyholders as a result of the Transfer. Any future changes to the unit-linked funds available to existing ULP policyholders will continue to be subject to the provisions of the RMIS transfer.

7.4. WITH-PROFITS POLICYHOLDERS

The policyholders in these funds have all been transferred to ULP under the terms of previous schemes. They are closed to new business (other than as a result of certain options on existing policies) and the With-Profits policyholders receive their guaranteed benefits plus a share of the remaining assets of the fund. There is no change as a result of the Transfer to the PPFM for these funds or to the way their guaranteed benefits or the share of the remaining assets is carried out. I comment in more detail on governance in Section 8.

7.5. TAX CONSIDERATIONS

The Transfer is not expected to have any material change in the impact of tax on policyholders. In particular:

- No change in the tax status of policies is expected.
- There is no change to the way that tax is charged to ULP policyholders, for example policyholders with unit-linked contracts, which are covered by the policy for the management of non-profit discretion.
- Other standard tax clearances have been sought as appropriate.

Conclusion

I do not expect there to be a material change in benefit expectations (including future discretionary benefits for with-profits polices) for existing policies in ULP as a result of the Transfer.

8. ONGOING MANAGEMENT OF THE BUSINESS

8.1. GOVERNANCE

Various committees and policies are used in Utmost Life to ensure appropriate governance of the business to ensure fair treatment of customers and security of their benefits. The Board and Committee structure of Utmost Life is unchanged by the Transfer Scheme. The existing governance over changes to the capital policy and the management of the existing unit-linked funds and the with-profits funds is unaffected by the Transfer.

8.2. INVESTMENT MANAGEMENT

The investment management approach adopted by Utmost Life can impact policyholders in various ways, such as through lower or more volatile returns reflected in policy values (for investment linked contracts including with-profits), through higher investment linked policy charges (for unit-linked contracts) and through the impact investment management of the assets backing other non-profit business can have on the solvency position (and therefore benefit security).

The majority of the investment management is carried out on an outsourced basis with external fund managers and internal governance. These arrangements are not being changed by the Transfer, although they may change over time in the normal course of business. Any such changes are subject to oversight and review by the Board of ULP, having consulted with the With-Profits Committee where appropriate.

8.3. SERVICE STANDARDS

The Transfer Scheme requires that ULP should use its reasonable endeavours to administer the transferring policies in all material respects to an equivalent standard to that applied by ELAS in the administration of its unit-linked and annuity policies in the 12 months prior to the Transfer Implementation Date for a period of 12 months from the Transfer Implementation Date.

There are no changes planned to internal processes or systems that are providing the customer services or administration to existing ULP policies. Service standards are currently measured through a variety of metrics and reported on monthly and so I am satisfied that continued monitoring of this requirement will be possible.

It is currently planned that the administration of the transferring business will be undertaken by existing ELAS staff transferring to ULP Services using existing systems and processes.

Consequently, I am satisfied that there should be no materially adverse impact on service standards as a result of the Transfer, although I will continue to monitor developments and comment on this in my supplementary report.

8.4. REINSURANCE AND RISK MANAGEMENT

Utmost Life has a range of reinsurance arrangements with a variety of reinsurers with many of the arrangements having been inherited as a result of previous transfers discussed in Appendix B. The most material contracts are longevity swap arrangements relating to the payment of annuities. The existing ULP reinsurance and risk management arrangements will remain unchanged and consequently I am satisfied that they are likely to continue to provide the risk protection afforded to the policyholders as they do currently.

Conclusion

I am satisfied that there is are no adverse impacts on policyholders as a result of the Transfer.

9. COMMUNICATION WITH POLICYHOLDERS

I regard the communication of the Transfer to be a key component in ensuring that policyholders are treated fairly. Consequently I have considered various aspects of the communication strategy discussed below.

9.1. WAIVERS FROM COMMUNICATION REQUIREMENTS

ULP is seeking dispensation not to mail its current policyholders the details of the Transfer, where ULP has no current address for the policyholder on its computerised policyholder administration database as at [15 May] 2019. As part of the transfer of business from RMIS, a major tracing effort was carried out and adverts placed in papers to try to trace policyholders. These adverts included local advertising in areas that Industrial Branch policies had been sold. In addition, the payment of the proceeds of the transfer to members has resulted in further improvements to the policyholder contact information. Given the efforts that have recently been made to trace these policyholders I am satisfied with the proposed dispensation.

There are also a number of other specific categories of dispensation requested including in respect of certain categories of policyholders (for example where there is limited information to be able to reliably trace policyholders) and certain beneficiary interests (for example where a policy is held under trust where Utmost will write to the trustee), trustees in bankruptcy and other third party interests such as potential reversionary annuitants (where Utmost will be contacting the main policyholder). I am satisfied that these are reasonable dispensations given the factual circumstances in each case.

9.2. POLICYHOLDER LETTER

I have reviewed the proposed explanatory letter to ULP policyholders. This has been drafted with the intention of keeping the communication as simple as possible, to ensure that the policyholders understand the key messages, with more detail to be made available on the Utmost Life website. I am satisfied that this document provides an appropriate level of detail, with sign-posting to where additional information can be found.

9.3. POLICYHOLDER QUESTIONS AND CONCERNS

Utmost will maintain a helpline for policyholders to contact to request further information regarding the transfer. The helpline will be operated in-house, and will be available from 9am to 5pm (UK time) Monday to Friday, excluding bank holidays in England. Utmost will also maintain a dedicated email address which policyholders can write to. Full details of both of the above will be included in the policyholder letter, and they will be publicised on the Utmost Life website from the mailing start date up until the Sanctions Hearing.

Any questions or concerns raised by policyholders following receipt of their explanatory letter will be closely monitored and promptly answered. I will comment on any policyholder responses in my supplementary report to the ULP Board prior to the Sanction Hearing.

Conclusion

I am satisfied that the proposed communication with policyholders and the arrangements for responding to any questions or concerns are appropriate.

APPENDIX A – GLOSSARY

Within this report and other Appendices I have used the following terms.

Term	Explanation
AMC	Annual Management Charge
BEL	Best estimate liability
CA	Chief Actuary
Criterion	Criterion Life Assurance Ltd
Implementation Date	The date on which the Transfer Scheme will take effect, expected to be 1 January 2020.
EIOPA	European Insurance and Occupational Pensions Authority
ELAS	The Equitable Life Assurance Society
Eurolife	Eurolife Assurance Company Ltd
Family Assurance	Family Assurance Friendly Society
FCA	Financial Conduct Authority
FSCS	Financial Services Compensation Scheme
FSMA	Financial Services and Markets Act 2000
HOFS	Hearts of Oak Friendly Society
IE	Independent Expert to the Transfer Scheme, Richard Baddon of Deloitte
Industrial Branch	Insurance business, either endowments or whole of life contracts, originally sold by door-to-door collectors
Utmost Group of Companies	A specialist European life assurance group founded with the aim of acquiring and managing life insurance businesses across the UK and Europe.
MA	Matching Adjustment
Mutual	A mutual insurance company is one that is owned by its members
Non-Profit	Policies where benefit payments are not linked to performance of a with-profits fund
NPF	The non-profit fund of ULP.
Oaktree	Oaktree Capital Management
Ordinary Branch	Insurance business that is not Industrial Branch, including savings, pension, annuity, protection and whole of life contracts.
Own Funds	The excess of assets over Technical Provisions under Solvency II. Where own funds are within a ring-fenced fund, amounts in excess of the notional SCR for that ring-fenced fund are ignored at a company level for solvency purposes
PPFM	Principles and Practices of Financial Management, regulations require a PPFM document to be maintained in respect of With-Profits funds.
PRA	Prudential Regulation Authority

Term	Explanation
RAO	Regulated Activities Order for the purposes of FSMA 2000
Regulators	The PRA, FCA and equivalent regulators in other jurisdictions. Key regulators in other jurisdictions are the Jersey Financial Services Commission and the Guernsey Financial Services Commission who will consider the Channel Island Schemes
Ring-fenced	A set of assets and liabilities where there are restrictions over the use of the assets elsewhere in the business
Risk Margin	Part of Technical Provisions under Solvency II intended to represent the cost of holding SCR in respect of non-hedgeable risks
RL Services	RL Services Ltd (UK). The service company which employs the current employees and services the ULP business.
RMIS	Reliance Mutual Insurance Society Limited or RMIS (RTW). The name was changed to RMIS (RTW) following the transfer to ULP.
RMLA	RM Life Assurance Ltd, previously SEB Trygg Life (UK) Assurance Company Ltd
SCR	Solvency Capital Requirement under Solvency II regulations
SCR Coverage	The ratio of Own Funds to SCR. For the purpose of the ULP capital policy, this is calculated assuming the restriction on own funds within a ring-fenced fund applies at the level of the SCR coverage for the company
Technical Provisions	Amounts to cover insurance liabilities under Solvency II. This includes the best estimate liabilities and risk margin
the Arrangement	This proposed Scheme of Arrangement under Part 26 of FSMA for the creditors of ELAS that must proceed for the Transfer Scheme to proceed and vice versa.
the Board	The Board of Directors of Utmost Life Limited
the Transfer	This proposed transfer of all the business of ELAS to Utmost Life Ltd.
the Transfer Scheme	The legal document setting out the terms for the Transfer.
TMTP or TD	Transitional Measures on Technical Provisions is a transitional measure allowed under the Solvency II Regulations. It allows companies to transition the impact of certain some elements of the new Solvency II measures in over a period of time, subject to regulatory approval.
ULAS	University Life Assurance Society
Unit-Linked	Policies where benefit payments are linked to performance of one or more underlying investment funds
Utmost Life or ULP	Utmost Life and Pensions Limited.
With-Profits	Policies where benefit payments are increased by bonuses reflecting the underlying performance of a with-profits fund. Changes in bonus rates are often smoothed.
WPA	With-Profits Actuary
WPC	With-Profits Committee

Term	Explanation
WPSF	With-Profits sub-fund
WPSF SCR Coverage	Measure used to assess the financial strength of a with-profits sub fund. It is defined as the surplus funds plus any loss absorbing capacity of technical provisions as a percentage of the basic notional SCR of the sub fund. The basic notional SCR is the SCR for that fund on a standalone basis, before operational risk and loss absorbing capacity of technical provisions and deferred tax is applied

APPENDIX B – BACKGROUND TO ULP

B1. INTRODUCTION

ULP is a shareholder owned company within the Utmost Group of companies. It has a Part 4A permission under FSMA to effect and carry on Long Term Business in the United Kingdom in classes I, II, III, IV, VI and VII set out in Part II of Schedule 1 to the RAO (Regulated Activities Order). As at the date of this Transfer, the business which ULP carries out falls within classes I, III and IV set out in Part II of Schedule 1 to the RAO.

All of the business of ULP is within five sub-funds. All of the business originally written by RMIS is in either the NPF or WPSF1. The NPF also includes business resulting from the vesting of annuity policies from the with-profits funds and some business transferred from other companies as described in Section B3.

The business in the NPF is all Non-Profit business and includes assets in unit-linked funds associated with unit-linked policies. Some of the assets in this fund are "ring-fenced" in respect of the annuity and funeral plan portfolios.

B2. HISTORY

ULP was established in 2017 to receive the transfer of business from RMIS, which had previously acquired business from several other companies. Following the acquisition RMIS became a de-authorised subsidiary of ULP and exists to facilitate the payment of the proceeds of the transfer to former members of RMIS.

Utmost Life has a mixture of with-profits, unit-linked and other non-profit business, including a book of annuities in payment. In addition to Ordinary Branch business, it has a large number of Industrial Branch policies.

Utmost Life has several ring-fenced with-profits funds as a result of the previous acquisitions of RMIS. It also has two ring-fenced matching adjustment portfolios in the NPF, covering annuities in payment and funeral plan business.

The with-profits sub funds are all in run-off and have provisions in the 2018 Scheme of Transfer which allow the business to be converted to non-profit policies when the fund decreases to a specified size. The assets within these sub funds are distributed to the with-profits policies in those funds over the lifetime of the business, or when the business is converted to non-profit policies. The assets are not available to provide capital support to other parts of the business.

The with-profit funds are each managed to their own risk appetite and are intended to be self-supporting. In extreme scenarios, support would be provided by the NPF. The NPF has also guaranteed the basis on which the sub funds would be charged expenses and holds capital in respect of this expense risk and operational risks arising from the business in these funds.

Utmost Life uses both an MA and TMTP in the calculation of its Solvency II balance sheet. It does not use a volatility adjustment.

There is no external new business and the only new business sold has been annuities to existing policyholders on the vesting of their pension savings contracts.

B3. PREVIOUS TRANSFERS

As described above, the NPF and WPSFs include business originally transferred to RMIS through previous transfers. These transfers are described below.

Family Assurance –2008

In July 2008 the business in the Tax Exempt Life and Endowment fund of Family Assurance Friendly Society ("Family Assurance") was transferred and is held within the NPF.

This business was originally part of Time Assurance and after the demutualisation of Time Assurance became part of Templeton Life.

This business included some With-Profits business which was converted to a Non-Profit basis on transfer.

Hearts of Oak Friendly Society "HOFS" – 2007 (WPSF6 and NPF)

In July 2007 the entire business of HOFS was transferred following the conversion of HOFS from a Friendly Society into a mutual. It is held within WPSF6 and the NPF.

At the time of the transfer to RMIS, HOFS had been unable to cover its solvency requirements and consequently under the terms of this transfer benefits were restructured in order to reduce capital requirements.

The Non-Profit and Unit-Linked business are in the NPF. The conventional With-Profits business was transferred into WPSF6 and an internal arrangement (akin to reinsurance) was set up to link the investment component of the Unitised With-Profits business to the investment performance of WPSF6.

The business transferred from HOFS includes unit-linked s226 contracts in both NPF and WPSF6 with a right to acquire a With-Profits annuity at the vesting of the policy. If the policyholder chooses to take an annuity on a With-Profits basis, this is written in WPSF6.

University Life Assurance Society ("ULAS") - 2007 (NPF)

In May 2007 ULAS was acquired.

Initially all the ULAS business was transferred into a separate with-profits sub-fund that was subsequently closed. All policies are now within NPF.

RM Life Assurance Ltd ("RMLA") / SEB Trygg – 2006 / 2007 (NPF)

In September 2006, SEB Trygg Life (UK) Assurance Company Ltd was acquired and renamed RM Life Assurance Limited.

The entire business was subsequently transferred in July 2007 following which RMLA was dissolved.

The RMLA business was all written on a Non-Profit basis and is now in the NPF.

Eurolife Assurance Company Ltd ("Eurolife") – 2005 (NPF)

In July 2005, Non-Profit (including Unit-Linked) business was transferred from Eurolife and is now in the NPF.

Family Assurance – 2004 (WPSF4 & NPF)

Some of the business of Family Assurance, which had been transferred to them from Time Assurance, was transferred.

Unit-Linked business from the Time RA fund and Time Ordinary Branch fund is now in the NPF. The remaining business in the Time Ordinary Branch fund was initially transferred into a with-profits sub fund that was subsequently closed and all these policies are now within the NPF.

The remaining business in the Time RA fund was transferred into WPSF4.

Criterion Life Assurance Ltd ("Criterion") – 2003 / 2004 (WPSF2 & NPF)

In 2003 Criterion was acquired and the entire business was subsequently transferred into RMIS in 2004.

The majority of the business was Non-Profit and is now in the NPF. The with-profits business was transferred into WPSF2.

Previous transfers

There were a few transfers of business prior to the 2000 with the policies now in the NPF or WPSF1 if with-profits. This business includes:

- Industrial Branch Business transferred from Nation Life Insurance Company in 1971;
- Business transferred from Congleton Burial Collecting Society in 1966; and
- Business transferred from Burslem Mutual Assurance Society in 1962.

Additionally, some of the business transferred under the previous schemes described above had previously been transferred from other insurers. The ULP website has a full list of companies that originally wrote the policies currently in ULP.