

Second Supplementary Report of the LGAS With-Profits
Actuary

on the proposed transfer of long-term insurance business

from

Legal & General Assurance Society Limited

to

ReAssure Limited

pursuant to Part VII of the Financial Services

and Markets Act (2000)

27 July 2020

PROPOSED PART VII TRANSFER FROM LEGAL AND GENERAL ASSURANCE SOCIETY LIMITED TO REASSURE LIMITED

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SECOND SUPPLEMENTARY REPORT BY THE LGAS WITH-PROFITS ACTUARY

1. EXECUTIVE SUMMARY

This report follows my two previous reports to the Legal & General Assurance Society (“**LGAS**”) Board (the “**Board**”) regarding the planned Part VII transfer of the Mature Savings Business, which includes the LGAS With-Profits Fund (“**WPF**”), to ReAssure Limited (“**ReAssure**”). My two earlier reports, and this report, consider the impact of the Scheme on LGAS participating policyholders should the Scheme proceed.

This report is an update covering developments since my previous report, dated 24 February 2020. In particular this report considers the impact of the COVID-19 pandemic on the proposed transfer in so far as it relates to participating policyholders. In addition, this report considers updated financial information as well as some other items.

I have considered this new information and whether it has any impact on my opinion. In my previous reports my view on the impact of the Scheme on LGAS participating policyholders, should the Scheme proceed, was that the Scheme will not have a material detrimental impact on the benefit expectations, benefit security or the administration and management of policies. Having considered the additional information, as summarised in this report, I have not changed my opinion.

2. INTRODUCTION

2.1. PURPOSE AND SCOPE OF THIS REPORT

This second supplementary report, addressed to the Board of Directors of LGAS, is made in my capacity as the LGAS With-Profits Actuary (“**WPA**”) and concerns the proposed transfer of the LGAS With-Profits Fund to ReAssure as part of the sale of the LGAS Mature Savings business to ReAssure. The WPF forms part of the business being transferred, which is to be carried out by way of an insurance business transfer scheme under Part VII of, and Schedule 12 to, the Financial Services and Markets Act 2000 (“**FSMA**”) (the “**Scheme**”). A new with profits fund will be created within ReAssure (the “**LGWPF**”) with the assets and liabilities of the WPF being transferred into it on the Legal Effective Date (expected to be 7 September 2020).

This report supplements, and should be read in conjunction with, my two earlier reports. My first report (dated 26 June 2019) provided my advice to the Board in advance of the Directions hearing (my “**Directions report**”). My second report (dated 24 February 2020) provided my advice to the Board in advance of the Sanction hearing (my “**previous report**”, and together with my Directions report, my “**previous reports**”).

The Sanction hearing commenced on 10 March 2020 and ran for three consecutive days. Prior to judgment being given, the presiding judge agreed on 25 March 2020 to adjourn the case in light of the uncertainties surrounding the operational impact resulting from the COVID-19 pandemic.

The purpose of this report is to consider the impact on with-profits participating policyholders of matters relating to the proposed transfer which have changed or arisen since my previous report and to advise the Board whether these change the overall conclusions set out in my previous reports. In particular, this report considers the impacts arising from the COVID-19 pandemic, the updated financial position of LGAS and ReAssure and anything material that has changed since my previous reports were written.

In addition to the Board, this report is also intended to be provided to the Independent Expert (as defined in section 2.5 of my Directions report), the High Court of England and Wales (“**the Court**”), the Prudential Regulatory Authority (“**PRA**”) and the Financial Conduct Authority (“**FCA**”). This report has also been shared with the LGAS Chief Actuary, the With-Profits Committee (“**WPC**”) and with ReAssure.

This report is based on information made available to me up to 27 July 2020 and takes no account of developments after this date.

The adjourned Sanction hearing is planned to commence on 13 August 2020.

Should any new information be presented to me after this report is finalised which materially alters my conclusions I will advise the Board and the Court.

2.2. DISCLOSURES, RELIANCES AND LIMITATIONS

I confirm that my financial and personal interests in L&G as set out in the Appendix to this report have not influenced me in reaching any of the conclusions detailed in this report.

An Independent Expert (appointed under the terms of Section 109 of FSMA in relation to the Scheme) and LGAS’s Chief Actuary have prepared separate second supplementary reports on the proposed Scheme and this report should be read in conjunction with their reports.

In preparing this report I have relied upon the material supplied to me by LGAS and ReAssure. In addition, I have relied on the advice supplied in relation to technical matters outside my field of expertise and have set out in the report where I have done so.

3. UPDATES AND DEVELOPMENTS

In this section I consider the impact of any updates and developments arising since my previous report. I have considered these in three parts:

- Policyholder benefit expectations of the transferring WPF policyholders (section 3.1),
- The financial security of policyholder benefits (section 3.2), and
- Other aspects affecting transferring policyholders (section 3.3).

In commenting on the impact of the transfer I focus on changes that are proposed to the way the business is to be managed and administered by ReAssure relative to the way the business is currently managed and administered by LGAS.

Since my previous report, there have been the following notable developments:

- The world has seen the widespread emergence of the COVID-19 pandemic. This unexpected situation has led to market turbulence and operational challenges for both LGAS and

ReAssure. I discuss these in section 3.3 of this report.

- In response to the risks relating to COVID-19 the intended Legal Effective Date of the transfer under the proposed Scheme has been postponed from 6 April 2020 to 7 September 2020. In addition, the proposed Scheme has been amended to allow the transfer to complete no later than 7 December 2020 (previously 6 July 2020) if both parties agree. Should the transfer not prove possible on 7 September, contingency arrangements exist to transfer the business with an Effective Date of 5 October 2020.
- Control of ReAssure Group Holdings (“RGP”) and its subsidiaries transferred from Swiss Re Ltd and MS&AD Insurance Holdings Inc. to Phoenix Group Holdings plc (“Phoenix”) on 22 July 2020 following receipt of all required regulatory approvals.
- I have received updates to the solvency position of both LGAS and ReAssure. This is discussed in section 3.2 of this report.

In addition to the above, there have been some minor changes to the Scheme since my previous report. The changes include making it clear that the expense deal and the £50m consideration to be paid by the WPF are linked and this was intended to be the case when the sale to ReAssure was originally agreed in 2017. Minor changes were also made to the Schedules to reflect activity since March. These changes have had no impact on the conclusions reached in my previous report.

The Business Transfer Agreement (“BTA”), when signed in December 2017, anticipated that the Part VII would complete no later than 30 June 2020, with alternative arrangements to be considered if this was not achieved. This is covered in section 8 of my Directions report. An amendment to the BTA has been agreed between the parties to extend the deadline for the Part VII transfer to 11 January 2021, with the alternative arrangements being similarly deferred. Additional provisions have been included protecting both LGAS and ReAssure from breaches of the BTA due to unexpected impacts from the COVID-19 pandemic where mitigation cannot be applied despite the best endeavours of the affected party. These changes have had no impact on the conclusions reached in my previous report.

There has been an extension of the current expense deal with the LGAS shareholders to the earlier of the Legal Effective Date and 31 December 2020. This has had no impact on the conclusions reached in my previous report.

There have also been a number of other minor changes which are discussed in the following sections.

3.1. WPF POLICYHOLDER BENEFIT EXPECTATIONS

In my previous reports I considered a number of items affecting policyholder benefit expectations. In this section I discuss any updates to those items. In providing this update I have considered all the items in section 3.1 of my previous report and commented only on any relevant changes. In particular I have not discussed in this report any impact on benefit expectations which result from market movements in relation to the COVID-19 pandemic as these are unaffected by the proposed transfer.

3.1.1. Annuity Introducer Agreement

An amendment to the original Annuity Introducer Agreement was signed on 4 March 2020 as expected when I wrote my previous report. As noted in my previous report, the main purpose of this amendment was to alter the definition of Excluded Policies to give more detail of contracts that are excluded, and to clarify which company is responsible for the financial consequences of any errors. As noted in section 3.1.4 of my previous report ReAssure have advised me that any annuities for the excluded policies will be purchased by ReAssure in their non-profit fund and I note that the Fairness Committee terms of reference require them to consider the fairness of the payments made by the LGWPF to set these up.

Therefore, I remain of the view that I do not expect there to be any material detriment to participating policyholders as a result of this amendment.

3.1.2. Expenses

In my previous reports I discussed the expected financial impact to the WPF and its participating policyholders of the expense deal between the LGWPF and the ReAssure shareholders which commences upon the Legal Effective Date of the Scheme provided the transfer proceeds. My previous reports noted that the deal is expected to be beneficial to the LGWPF over time and, therefore, that these benefits are expected to be financially beneficial to participating policyholders over the period they are expected to emerge.

In view of the deferral of the Part VII, I have updated the analysis and compared the results to that expected from the earlier analyses.

The results of the analysis indicate an expected benefit from the deal to the LGWPF of around £80m. After deducting the initial upfront payment of £50m to be made from the LGWPF to the ReAssure non-profit fund, this leaves a net benefit to the LGWPF of around £30m. This represents a small reduction compared from the value when the transfer was expected to occur on 6 April 2020. This result is based on assumptions that I consider are a reasonable expectation of future experience and are calculated by comparing expected future expenses which would be charged to the WPF should the proposed transfer not occur with the charges to the LGWPF under the deal should the transfer proceed. As with any forward looking assumptions the actual future experience is likely to differ from the assumptions and so I have considered how sensitive the results are to different future levels of inflation and persistency, as these are most significant. For the sensitivities considered, the deal remains materially beneficial to the LGWPF.

The expense deal provides additional benefit to the LGWPF as greater certainty of future expenses are achieved: so aiding in the management of the LGWPF as it declines in size. This additional benefit has not been quantified in the above figures.

I have not altered my conclusions in my previous reports as a result of this additional analysis.

3.1.3. Conclusion on Benefit Expectations

Having considered the items detailed above I am comfortable with the conclusion in my earlier reports, that I do not regard the transfer as having a materially adverse effect on the benefit expectations of any group of policyholders.

3.2. FINANCIAL SECURITY OF POLICYHOLDER BENEFITS

In my earlier reports I considered a number of items affecting the financial security of policyholder benefits. In this section I discuss any updates to those items.

3.2.1. LGAS

My previous reports considered the financial strength of LGAS since capital from outside the WPF may be required in certain situations. Consideration was given to the regulatory financial strength of LGAS and to its capital management policy, including the governance surrounding it.

Since my previous report, the 31 December 2019 regulatory position of LGAS has become available and this is summarised in the table below along with the 31 December 2018 and 30 June 2019 positions:

£m	31 Dec 2019	30 Jun 2019	31 Dec 2018
Own Funds	10,698	10,681	10,574
Capital requirements	(6,567)	(7,429)	(7,039)
Surplus	4,130	3,253	3,535
Capital coverage ratio	163%	144%	150%

The Own Funds as at 30 June 2019 and 31 December 2018 incorporated LGAS management's estimate of the impact of recalculating the TMTP, as this was believed to provide the most up-to-date and meaningful view of the Solvency II position. The 31 December 2019 Own Funds incorporate the formal recalculation of TMTP.

I have been supplied with information on the risk profile of LGAS at 31 December 2019 and note that there has been some reduction in the proportion of total risk which relates to longevity since 31 December 2018. As longevity remains the largest risk I do not regard this change as detrimental to the benefit security of customers in the WPF.

I have also been advised that in March LGAS received PRA approval for a TMTP methodology change and I have been provided with information about the impact of this.

I have been supplied with the financial results at the end of March 2020 and preliminary results for 30 June 2020.

There have been no changes to the LGAS Risk Appetite and Capital Management Policy since my previous report.

Standard & Poor's credit rating for the L&G Group, the parent company of LGAS, is unchanged from my previous report.

WPF Financial strength

The financial strength of the WPF, as measured by the WPF Own Funds compared to the WPF Capital requirements decreased significantly over the first quarter of 2020 (using LGAS metrics). This was mainly as a result of the economic effects of the COVID-19 pandemic. At the end of March 2020, the WPF remained within its risk appetite.

Although the fund remains within risk appetite the decreasing financial strength of the WPF increases the probability that the WPF might, at a future point in time, be unable to cover its own capital requirements. The WPF has available to it management actions which may be taken in this situation and which are assumed in calculating the capital requirement if appropriate. LGAS have additionally approved the inclusion of a further management action to be included in the calculation of capital requirements. This is the recovery from asset shares of historic estate distributions from policies remaining in force. This action has been included in the LGAS Principle and Practices of Financial Management ("PPFM") since the WPF closed to new business in 2015 and so does not in my view constitute a change to policyholder expectations. I have compared the management actions set out in the proposed "PPFM" for the LGWPF with those currently available to LGAS. These actions, whilst not identical, are similar.

I have considered whether the decrease in financial strength has any impact on the proposed transfer. The proposed transfer will transfer the whole WPF to ReAssure and so the strength of the fund will be unaffected by the transfer, albeit that ReAssure will quantify that strength using their own metrics as discussed in section 4 of my Directions report. Additionally the available management actions are comparable.

I have therefore concluded that this decrease in financial strength will not cause the proposed transfer to result in any material detriment to participating policyholders.

3.2.2. ReAssure

My previous report considered the financial strength of ReAssure, after inclusion of the proposed transferring business.

The 31 December 2019 solvency position for ReAssure, after inclusion of the business being transferred, is shown in the table below along with the 31 December 2018 and 30 June 2019 positions. These include ReAssure's estimated impact of the proposed treatment of TMTP after transfer and the 31 December 2019 position excludes the impact of a dividend of £400m paid to ReAssure Midco Limited in May 2020.

£m	31 Dec 2019	30 Jun 2019	31 Dec 2018
Own Funds	5,244	4,751	4,231
Capital requirements	(3,229)	(3,266)	(3,067)
Surplus	2,015	1,485	1,164
Capital coverage ratio	162%	145%	138%

Note: includes the impacts of the acquisition of the UK Heritage business of Quilter Plc.

Note: ReAssure have provided me with revised figures at 31 December 2018 so those shown above differ slightly from those shown in my Directions report.

ReAssure's proposed treatment for TMTP is intended to be formalised in an addendum to their earlier TMTP application to the PRA, which is expected to be submitted shortly. It is possible that a decision may not be made on the application by the time of the Sanction hearing. I concluded in section 3.1.5 of my previous report that I do not expect any material detriment to policyholders to arise as a result of the timing of the TMTP process and I remain of this view.

I have been supplied with information on the risk profile of ReAssure at 31 December 2019 and note that there has been no material change since 31 December 2018. ReAssure continues to operate within its risk appetite.

I have also been supplied with the estimated results for ReAssure at the end of March 2020, including the transferred business, and their estimated position at the end of June 2020, not including the transferred business.

Based on this updated information, I have not identified any material adverse impact on policyholder benefit security.

Ownership of ReAssure

In section 3.3.3 of my previous report I discussed the purchase of RGP by Phoenix, announced on 6 December 2019.

All shareholder and regulatory approvals have now been received, with the change of control completing on 22 July 2020. As a result, RGP and all its subsidiaries are now part of Phoenix, with Phoenix being the ultimate parent company of ReAssure. The LGWPF PPFM, which will apply following the transfer of the business, has been updated to reflect this change.

With effect from 31 December 2018 the ReAssure regulatory capital requirements have been assessed using a Partial Internal Model, following earlier approval by the PRA. Following the change of control ReAssure have advised me that they will revert to using the Standard Formula model for their regulatory capital requirements until such time as it is brought into the scope of the Phoenix Partial Internal Model. There will be no immediate change to ReAssure's stated approach to measuring the capital requirements of the LGWPF.

ReAssure have calculated their regulatory capital requirements at 31 December 2019 using the Standard Formula resulting in a capital coverage ratio of 163% (compared to 162% using the Partial

Internal Model shown above). I have also been provided with the estimated positions at 31 March 2020 based on the Partial Internal Model (including the impact of the proposed transferring business) and at 30 June 2020 (excluding the impact of the proposed transferring business) based on the Standard Formula methodology.

I have considered the impact of this potential change to the measurement of the financial strength of ReAssure and note that the results between the two approaches are very similar as at 31 December 2019. Whilst this assessment is only available at one reporting date it gives comfort that the change from the Partial Internal Model to the Standard Formula model will not create any material detriment to the benefit security of the transferring participating policyholders.

As noted above, following the change of control of RGP to Phoenix, ReAssure capital requirements will ultimately be assessed using the Phoenix Partial Internal model. This will require an application to, and approval from, the PRA and, in making this application, it will be necessary to demonstrate the appropriateness of the model to measure the risks to which ReAssure are exposed. In addition, a recalculation of the TMTP will be required. This will require a further application to the PRA for subsequent TMTP approval. As discussed above I do not expect any material detriment to policyholders to arise from this recalculation.

The financial rating of Phoenix remains at A+ (insurer financial strength rating from Fitch).

The change in control was considered in section 3.2.2 of my previous report where I concluded that there was not expected to be any material change to the security of the transferring benefits due to the Phoenix acquisition of RGP and I remain of this view.

3.2.3. Conclusion on Benefit Security

Since my previous report the financial positions of LGAS and ReAssure at 31 December 2019 have become available and I have also been provided with updated information on the risk profiles of the companies at that time. I have also been provided with information on the financial positions of LGAS and ReAssure at 31 March 2020 and note that they show similar capital coverage ratios. No changes have been made to the LGAS or ReAssure capital management policies and the financial ratings of the parent companies remain unchanged.

I have been supplied with estimated financial positions of both LGAS and ReAssure (before the impact of the proposed transferring business) at 30 June 2020.

In section 3.2 of my previous report I concluded that the benefit security of policyholders in the WPF is not likely to be materially adversely impacted by the proposed transfer. After considering the additional information I remain of this view.

3.3. OTHER ASPECTS AFFECTING TRANSFERRING WITH-PROFITS POLICYHOLDERS

In my previous reports I considered a number of other aspects affecting transferring with-profits policyholders. In this section I discuss any updates to those items.

3.3.1. Data Migration, Readiness of Systems and ReAssure Business Readiness

As noted in my previous report in section 3.3.1, a number of decision checkpoints were established in the period leading up to the planned transfer on 6 April 2020 with an agreed set of criteria being used to assess the ability to successfully transfer the business to ReAssure and for ReAssure to successfully administer and manage the transferred businesses thereafter.

Aside from late developing uncertainties surrounding the operational impacts of the COVID-19 pandemic, these criteria were favourable for the planned transfer to proceed. However, due to the

rapidly developing risks to a successful transfer from the COVID-19 pandemic, a joint decision was made by LGAS and ReAssure to defer the proposed transfer to a later date to allow time for the impacts to be fully understood and for any required changes to the operational and migration processes to be developed, tested and assessed.

The additional risks to a successful transfer arose in two areas:

- The migration of LGAS data to ReAssure had not been planned or tested with the majority of staff at both LGAS and ReAssure working remotely and with potentially high levels of sickness or other absence.
- The capability of ReAssure to meet service standards after the transfer, against a background of significant business disruption at both LGAS and ReAssure, had not been fully assessed.

Following the adjournment of the Sanction hearing and the subsequent deferral of the planned Part VII transfer dates, LGAS and ReAssure have reviewed the programme in the light of these additional risks and the new planned transfer date.

Further decision checkpoints have been established and the business readiness criteria have been reviewed. Where appropriate new criteria have been added to reflect the additional COVID-19 risks and the change in the proposed transfer date. The governance arrangements in place in the period leading up to the original Sanction hearing have been maintained, including first and second line risk assessments by both LGAS and ReAssure at key points in advance of the planned transfer.

A test was carried out at the end of May to establish whether the transfer of data from LGAS to ReAssure could be successfully undertaken with all parties working remotely. This test was successful. A further test of the full data migration is also planned for the end of July.

I have also considered the business readiness criteria to assess the readiness to transition the business. As mentioned above assessments are carried out at key points and these have occurred on 3 June 2020 and 7 July 2020. In both cases, the criteria were satisfactory for the transfer to proceed to the next stage. There are a very small number of criteria that have issues and risks. One of these issues relates to completion of the testing of the models to be used for the next bonus declaration. This issue is being closely managed. At the time of writing ReAssure have informed me that the model development is nearing completion and I have seen some preliminary testing. As a result my expectation is that this work will complete in time for use in the next bonus declaration, although the work is slightly behind plan.

A small proportion of the LGWPF overseas assets for participating policyholders will be transferred after the Legal Effective Date. This is because, for these assets, delays are expected in transfer of custodianship. Such possibilities are anticipated under the Scheme, with the result that these assets will be Retained Assets and transferred to ReAssure custodianship at the Subsequent Transfer Date. During this interim period, the economic benefits of these assets fall to the LGWPF, with the market values reported to ReAssure. Therefore, there is no material detriment to policyholders from the delay in transfer of these assets.

The current views of the LGAS Mature Savings and ReAssure Chief Risk Officers are that the programme is on track to deliver a successful transfer of the business to ReAssure on the planned Effective Date, with ReAssure on track to administer and manage the business thereafter. I have been kept informed of the programme developments throughout the process and I am comfortable with these assessments. In forming this opinion I have also relied on the views of the Chief Risk Officers.

After considering the above information, I remain of the view that the planned migration of the business to ReAssure is not expected to result in any material detriment to the transferring participating policyholders. I also remain of the view that I do not expect there to be any material detriment in the administration and servicing of transferring policyholders following the proposed transfer.

3.3.2. Customer Communications

The LGAS website was updated on 25 March to inform customers of the adjournment of the Sanction hearing. In addition, LGAS directly notified those LGAS policyholders who presented their objections at the Sanction hearing to inform them of the adjournment.

On 6 July LGAS mailed all policyholders who had registered an objection with LGAS (and had not subsequently withdrawn the objection) and other policyholders who had requested updates in writing. This mailing notified them of the revised transfer date and the further court date for the Sanction hearing along with information on the likely format for the hearing, given the COVID-19 situation. Also on 6 July the LGAS website was updated with the new dates for the sanction hearing and proposed transfer.

Additionally, on 17 July, information packs were sent to policyholders who had not previously been sent a pack, either because LGAS did not previously have their current addresses or because they were new members of a group pension scheme.

LGAS has maintained its policyholder response handling functions throughout this period and I have been supplied with details of the objections received to 19 July 2020. The total number of objections received is now 1,155: an increase of 14 from my previous report (comprising 29 new objections, 2 responses which had previously been classified as queries but have now been classified as objections and 17 withdrawals of previous objections). All except one of the new objections relate to concerns considered in my previous report. I remain of the view that these objections do not change the conclusions in my previous report. One new objection expresses concern about the appropriateness of any Sanction hearing ruling given it was being considered on pre COVID-19 conditions.

On 25 March 2020 the presiding judge agreed to adjourn the case in light of the uncertainties surrounding the operational impact resulting from the COVID-19 pandemic. I have set out in section 3.3.1 the additional work and testing that has been carried out by both LGAS and ReAssure in response to the COVID-19 pandemic and concluded that I do not expect any material detriment to policyholders to occur should the planned transfer proceed.

3.3.3. Capital Measure used to Manage the WPF

As detailed in sections 6.1.1 and 6.1.4 of my Directions report, ReAssure has been developing its models and WPF capital measures for the financial reporting, bonus setting and capital management of the WPF after the proposed transfer.

I have been consulted and updated on the progress of these model developments, and this process is ongoing. I have seen a near complete capital position based on these models as at 31 December 2018 and testing as at 31 March 2020 is underway as planned. To date I have not identified anything that I believe will cause material detriment to participating policyholders.

3.3.4. Tax

In section 3.3.4 of my previous report I noted that ReAssure plan to use the current LGAS approach to the commercial allocation basis when assessing the tax paid by the LGWPF. I note that no explicit approval for this approach has been requested from HMRC by ReAssure, however any change to the

commercial allocation process would be considered by the ReAssure Fairness Committee for review prior to such change being adopted.

I have been advised by ReAssure that there remain no outstanding approval requests with HMRC in respect of the proposed Part VII.

3.3.5. Conclusion on Other Aspects Affecting Transferring Policyholders

Having considered the items detailed above I am comfortable with the conclusion in my previous report, that I do not expect the transfer to lead to any material detriment to LGAS participating policyholders.

4. COMPLIANCE WITH TECHNICAL ACTUARIAL STANDARDS

This report has been prepared in accordance with, and in my opinion complies with, the Technical Actuarial Standards (TAS) issued by the Financial Reporting Council. In particular, I believe this report complies with TAS 100: Principles for Technical Actuarial Work and TAS 200: Insurance. TAS compliance of the supporting papers, reports and models are considered separately by the relevant authors and reviewers as appropriate.

APS X2, issued by the Institute and Faculty of Actuaries, requires Actuaries to consider the appropriate level of review that should be applied to their work. Drafts of this report have been subject to Independent Peer Review by a suitably qualified Actuary and the peer reviewer’s comments have been reflected in the final report. Therefore in my view this report is compliant with APS X2.



Tricia Ross
With-Profits Actuary
27 July 2020

APPENDIX - PERSONAL INTERESTS

This section summarises my financial and personal interests in LGAS and other companies within the Legal and General Group as at 17 July 2020 (unless otherwise stated). I have no financial or personal interests in ReAssure Ltd or the Swiss Re Group.

I am an employee of Legal & General Resources Limited. I am personally affected by the transaction as an employee of the Mature Savings business.

SHARE INTERESTS

I have the following share interests in Legal & General Group Plc:

Employee Share Plan	18,257
Corporate Sponsored Nominee	83,103
Share Bonus Plan	29,971

I also hold a number of share options in Legal & General Group Plc in Save as You Earn Contracts. The options held are:

Number of Options	Option Price	Option date
1791	£2.01	1 June 2020 (option not exercised to date)
1595	£1.88	1 June 2021

POLICIES

I hold the following policies:

- (i) A with-profits endowment policy with LGAS which matures in 2022 and has a surrender value of £29,142. This policy is in scope of the transaction.
- (ii) Holdings in the Legal & General Group SIPP with Legal & General (Portfolio Management Services) Limited with a total value of £77,795 including 23,273 shares in Legal & General Group Plc.
- (iii) ISA Investments with Legal & General (Unit Trust Managers) Limited with a total value of £39,849
- (iv) A Worksave Pension Plan associated with Legal & General Group SIPP invested with Legal & General Investment Management with a value of £6,553

PENSION

As an employee of long standing I have the following pension arrangements related to my employment:

- (i) A deferred pension of £47,561 as at 5 March 2019 in the Legal & General Group UK Senior Pension Scheme
- (ii) A Worksave Pension Plan invested with Legal & General Investment Management with a value of £7,964

OTHER

My spouse is employed by Legal & General Investment Management (Holdings) Limited and receives remuneration commensurate with his responsibilities. He also has a WorkSave Pension Plan with Legal & General (Portfolio Management Services) Limited relating to a previous employer.