



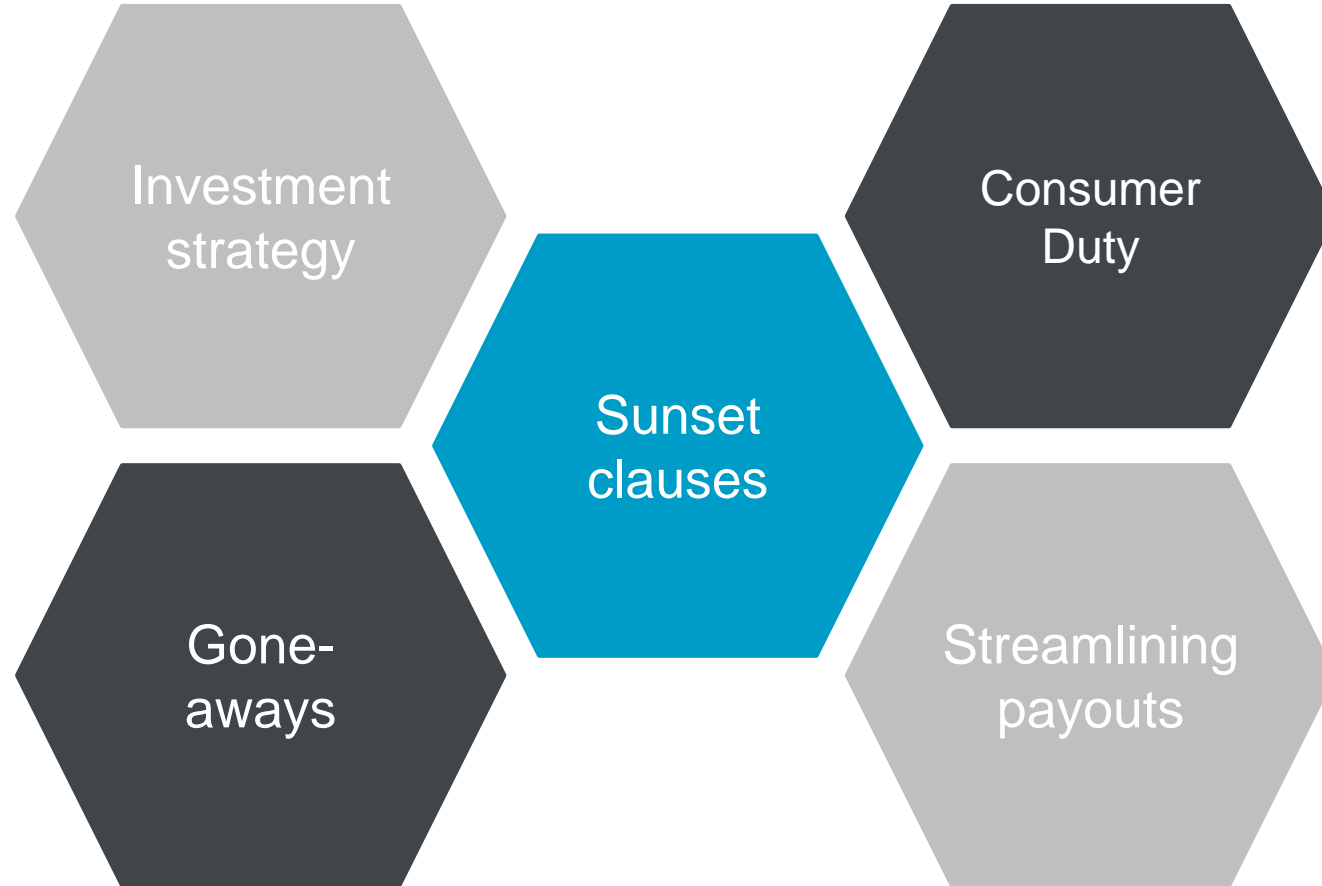
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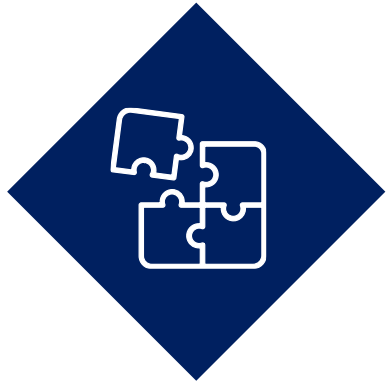
With-profits, back book management and the conduct agenda

Rebecca Macdonald & Chris Riach

Hot topics in with-profits management



Gone-aways



Tracing



Cost




**Distribution of
surplus**




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Sunset clauses

 “Must convert” v “may convert”

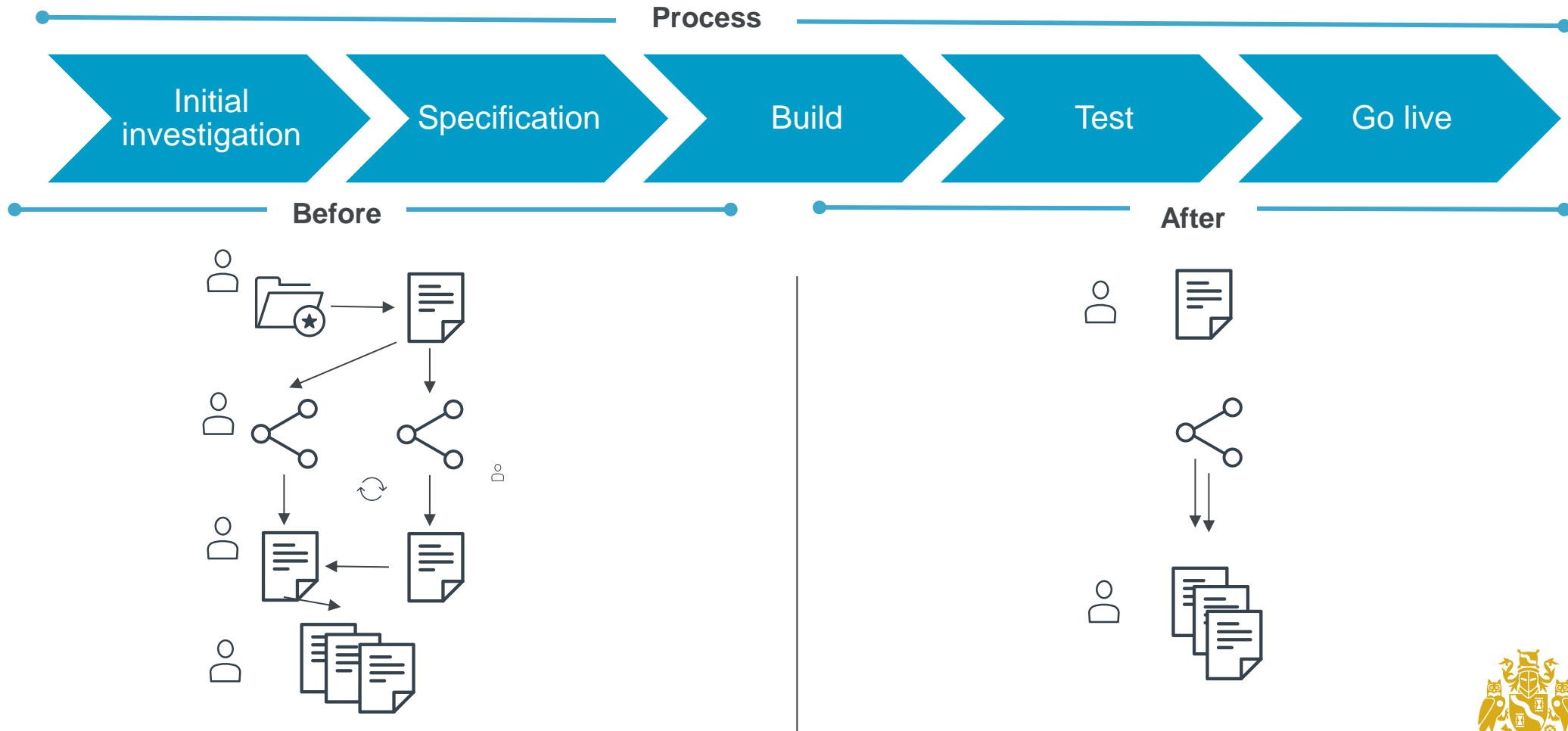
 Form of benefits

 Independent review

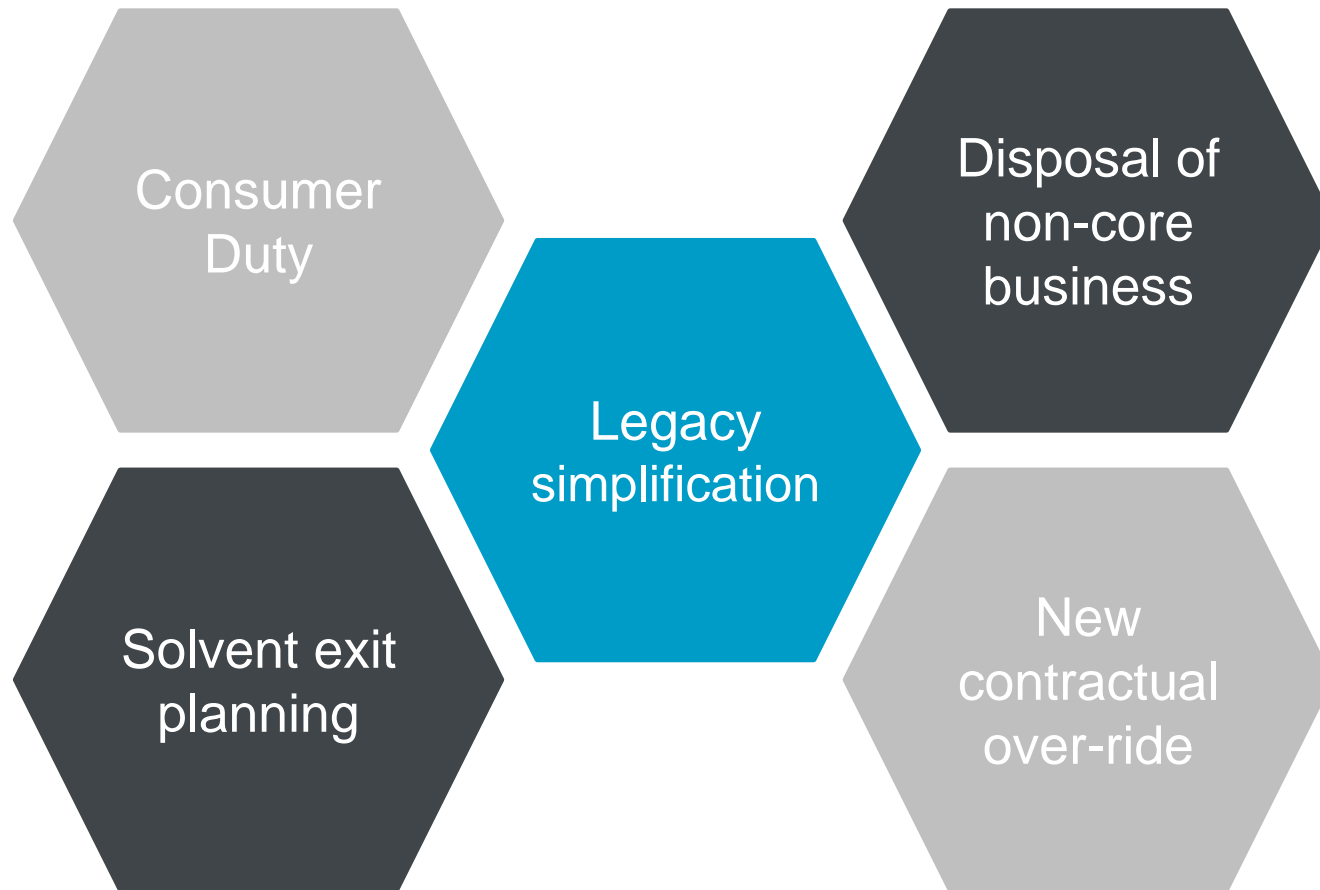
 Scheme amendment?



Streamlining payouts



Areas of focus for life back books



Disposal of non-core business



Four Part VII transfers of insurance business sanctioned in 2024 – half were disposals of non-core business

Transfer of Scottish Equitable's individual protection business to Royal London

Transfer of part of Pinnacle Insurance's non-pet business to EIFlow

Transfer of Met Life Europe D.A.C's UK retirement and investments business to MetLife UK

Transfer of FM Insurance Company's insurance and reinsurance business to FM Insurance Europe S.A. (UK branch)



Consumer Duty



Firms **must act** to ensure good outcomes for retail customers – but this can be difficult for back books

Data gaps

Fair value

Vulnerable customers

Legacy IT systems

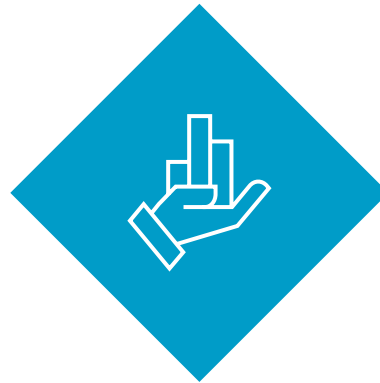


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Legacy simplification



**Consent
based**



**Unilateral
variation**



**Scheme of
arrangement**



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Legacy simplification – a new option



**Contractual
Override?**

Pensions Schemes Bill - FCA regulated pension schemes used for workplace (AE and pre-AE)

Focus is on achieving scale requirements and VFM

Legislative road map – points to 2028 for introduction

Best interests test – and best replacement option



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Regulatory change – a round up on conduct issues



**FCA 2025-30
Strategy –
regulating for
growth?**



**Protection
market study**



**Advice
guidance
boundary
review**



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Questions

Comments

Expressions of individual views by members of the Institute and Faculty of Actuaries and its staff are encouraged.

The views expressed in this presentation are those of the presenters.



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