



PRESS RELEASE

15 June 2018

LCCG announces proposed acquisition of Equitable Life

Life Company Consolidation Group (“LCCG”) is pleased to announce that it has signed an agreement with The Equitable Life Assurance Society (“Equitable Life”) under which it is proposed that Equitable Life and all of its business transfer to Reliance Life Limited (“Reliance Life”), a specialist UK run-off manager established by LCCG.

LCCG is a specialist life assurance group, which is focussed both on the International life market and on the management of in-force policies.

Under the proposed transaction it is expected that:

- Equitable Life’s policies will transfer to Reliance Life under a Part VII transfer, expected to complete towards the end of 2019;
- As part of the process ‘with profits’ policies will convert to ‘unit linked’ funds and are expected to benefit from an increase in the current 35% capital distribution to a level expected to be between 60% and 70%;
- Conversion from ‘with profits’ to ‘unit linked’ and the transfer to Reliance Life maximises Equitable’s capital distribution, provides policyholders with access to a broad range of funds and secures Equitable a clear path to a well-managed run off;
- Policyholders will benefit from enhanced security as a result of LCCG’s capital policy and expertise in managing efficient, sustainable run-off businesses;

The proposed transaction is the latest in LCCG’s strategy to acquire open and closed book insurance assets in the UK and Europe. LCCG has operations in the UK, Republic of Ireland and the Isle of Man, having previously acquired ten businesses, including from Aviva, AXA and Generali. Total policyholder assets of the LCCG group are currently around £24 billion and predominantly unit-linked.

The decision of Equitable Life to enter into the agreement with LCCG follows a highly selective process to find a partner with the quality and experience to deliver value to its policyholders and secure their long term wellbeing. The transaction will maximise the capital distribution to members while managing the administrative costs of a life insurance business in run-off.

The proposed transaction remains subject to member, regulatory and Court approvals, and is expected to complete towards the end of 2019.

Paul Thompson, Group Chief Executive of LCCG, said:

“We are delighted to have been selected by Equitable Life to be its partner in providing on-going service, fund choice and security to its policyholders. As a group we have significant experience in delivering policyholder value through well-managed run-off processes and our expertise in unit linked assets.”



“We continue to see significant opportunities to add to our run-off assets through additional closed book life insurance transactions.”

Ian Brimecome, Chairman of Equitable Life, commented:

“While it will be sad to bring an end to the oldest mutual assurer in the world, the potential to enhance with-profits policy values to the extent made possible by a transfer to Reliance Life is fundamentally helpful in distributing capital to our policyholders as fairly and as soon as possible. I believe Reliance Life’s approach to customer service, investment choice and policyholder security make for a compelling way forward.”

The parties will now progress a Scheme of Arrangement and Part VII Transfer, which includes a vote by the members of Equitable Life on the conversion of the ‘with profits’ policies, which will be followed by a Court hearing.

It is expected that policyholders will be sent full details regarding the process later this year, with the transfer completing by the end of 2019.

For further information, please contact:

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Notes for editors:

1. LCCG is a specialist European life assurance group. Its principal businesses are Utmost Wealth Solutions and Reliance Life, which are responsible for in aggregate £24bn of primarily unit-linked policyholder assets for more than 250,000 customers.

Utmost Wealth Solutions provides international savings, protection and investment solutions into the UK, Continental Europe and Asia from Dublin and the Isle of Man. Reliance Life is a specialist UK run-off manager, focussed on the acquisition of traditional books of life business in the UK.

2. Equitable was established in 1762 and is the oldest mutual life assurance company in the UK. It has over 300,000 policyholders and manages assets of £6.3bn, from its offices in London and Aylesbury, Buckinghamshire.

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