

**Supplementary Report to the
Report of the Independent
Actuary on the proposed
transfer of Quilter
International Ireland dac and
the policies transferring from
Utmost Worldwide Limited to
Utmost PanEurope dac**

6 September 2022

Table of Contents

Section 1 : Executive summary..... 1
Section 2 : Updated financial and other information..... 4
Section 3 : Reliances and limitations 14
Appendix A : Further information considered..... 16

This page is intentionally blank

Section 1: Executive summary

Background

- 1.1 I have been appointed by Utmost PanEurope dac (“UPE”) to act as the Independent Actuary in connection with the proposed transfer of the insurance business from Quilter International Ireland dac (“QII”) and of a small number of insurance policies from Utmost Worldwide Limited (“UWW”) to UPE. These policies are referred to as the “QII Transferring Business”, the “UWW Transferring Business” and collectively as the “Transferring Business”.
- 1.2 It is proposed that the QII Transferring Business will be transferred to UPE via a scheme of transfer in Ireland (the “Irish Scheme”) and in Guernsey (the “QII Guernsey Scheme”). The UWW Transferring Business will be transferred to UPE pursuant to a separate scheme in Guernsey (“the UWW Guernsey Scheme”) at the same time as the QII Guernsey Scheme. The Irish Scheme, the QII Guernsey Scheme and the UWW Guernsey Scheme will be referred to collectively in this report as “the Schemes”.
- 1.3 I prepared a report to the High Court of Ireland “Report of the Independent Actuary” dated 20 June 2022 (“my 20 June Report”) in which I considered the impact of the proposed Schemes of transfer on the affected policyholders. Following the issue of my 20 June Report and its presentation to the High Court of Ireland, a minor error relating to the split of UPE’s policyholders between its products in Table 3.4 of my 20 June Report was observed. Therefore, I prepared an updated report dated 29 June 2022 (“my Main Report”) which was made available for download on the UPE website.
- 1.4 The conclusions of my Main Report were based on financial information at 31 December 2021 and other information available to me when I prepared my Main Report. Since preparing my Main Report I have been provided with more recent financial information and other information in respect of UPE, QII and UWW. Details of the information I have been sent is set out in Appendix A.

Scope

- 1.5 The purpose of this Supplementary Report is to consider any developments since I issued my Main Report that might materially impact affected policyholders in the three companies and to consider updated financial information, including whether this has affected the conclusions set out in my Main Report.
- 1.6 This Supplementary Report should be read in conjunction with my Main Report, and with the full terms of the Schemes and the reports on the Schemes by the Actuarial Function Holders of UPE, QII and UWW.
- 1.7 In preparing this report I have taken account of the professional standards of practice set out in ASL LA-6 issued by the Society of Actuaries in Ireland.
- 1.8 Terms used in this Supplementary Report have the same meanings and definitions as in my Main Report.

Reliances

- 1.9 This Supplementary Report is subject to the reliances and limitations as set out in Section 11 of my Main Report and included in Section 3 of this Supplementary Report for completeness.
- 1.10 In carrying out my review and producing this Supplementary Report I have relied without independent verification upon the accuracy and completeness of the data and information provided to me, both in written and oral form, by UPE, QII and UWW. I have not independently

audited nor verified this information; however, I have reviewed it for general reasonableness and consistency with my knowledge of the insurance industry. In particular, I have relied upon the accuracy and completeness of the contents of the documents listed in Appendix A, including all calculations contained therein.

Key developments during the period since my Main Report

- 1.11 I have been provided with the actual solvency positions (pre-transfer) reported to the Central Bank of Ireland (“CBI”) by UPE and QII and to the Guernsey Financial Services Commission (“GFSC”) by UWW as at 30 June 2022 and with an explanation of the movements since 31 December 2021. For each of the companies, the Solvency Coverage Ratio has increased over the first half of 2022 as illustrated in Table 1.1.

Table 1.1 – Pre-transfer solvency coverage at 30 June 2022 and 31 December 2021

Pre-Schemes Solvency Coverage Ratio		31-Dec-2021	30-Jun-2022
UPE	including Italian withholding tax	186%	194%
	excluding Italian withholding tax	143%	146%
QII		187%	222%
UWW		176%	185%

- 1.12 The increases in solvency coverage ratio for UPE, QII and UWW are largely as a result of market movements over the period and also reflect dividend payments made. This is discussed further in Section 2 of this Supplementary Report. The changes in solvency coverage do not impact on the conclusions of my Main Report.
- 1.13 I have also been provided with the expected solvency position of UPE (post-transfer) as at 30 June 2022. This is summarised in Table 1.2.

Table 1.2 – UPE Post-transfer solvency coverage at 30 June 2022 and 31 December 2021

Post-Schemes Solvency Coverage Ratio		31-Dec-2021	30-Jun-2022
UPE	including Italian withholding tax	171%	179%
	excluding Italian withholding tax	130%	134%

- 1.14 The expected solvency coverage ratio post-Schemes at 30 June 2022 is broadly consistent with the corresponding position at 31 December 2021. The movement in solvency coverage ratio post-Schemes does not impact on the conclusions of my Main Report.
- 1.15 I have been provided with an update to the proposed reinsurance treaty between UWW and UPE which has now been approved by both companies. This is expected to come into force at the point of transfer. The effect of the reinsurance treaty is that the assets representing 90% of the liabilities under the UWW transferring policies remain in UWW's policyholder protection trust in Guernsey; although they now represent the liability of UWW to UPE under the reinsurance treaty and are held for the benefit of UPE rather than directly for the benefit of the UWW transferring policyholders. In the event of the insolvency of UWW, the assets will be held directly for UPE to enable it to meet its liabilities to the UWW transferring policyholders. In the event of the insolvency of UPE the UWW transferring policyholders will have the protections afforded by the Irish regulatory regime under which the assets representing technical reserves (including the rights under the reinsurance agreement) will be available in absolute priority to meet policyholders' claims.
- 1.16 I have been informed that litigation may be pending against QII. This is based on recent correspondence received by QII although I understand that proceedings have not been issued. As the process is in its early stages, there is limited information available for me to be able to assess the implications of this to policyholders. However, as QII is a wholly owned subsidiary

of UPE, the value of QII is held on UPE's balance sheet. Therefore, this or any other litigation against QII, would also impact UPE pre-Schemes. Given this, UPE policyholders are already exposed to litigation risks in QII and so the Schemes would not materially impact the litigation risk to which UPE policyholders are exposed. I do not believe that potential litigation against QII would invalidate the conclusions set out in my Main Report.

- 1.17 In paragraph 7.34 of my Main Report, I described a reinsurance arrangement relating to a previous Scheme of Transfer involving QII. These arrangements are to be replicated post-Schemes such that the affected QII Transferring Policyholders would continue to enjoy the protections afforded by the prior Scheme. I have been informed that these arrangements have now been put in place and will take effect at the effective time of the Irish Scheme, if approved and so this does not invalidate the conclusions set out in my Main Report.
- 1.18 The conclusions set out in paragraph 10.2 of my Main Report were subject to a number of points listed in paragraph 10.1 of my Main Report. These have subsequently all been addressed, including in respect of policyholder protections for UWW transferring policyholders, as described in paragraph 1.15.

Summary Conclusions

- 1.19 Having taken account of the updated information as set out in this Supplementary Report, including the updated solvency coverage at 30 June 2022 for each of the three participant companies, I conclude that there is no reason to change the conclusions made in my Main Report.
- 1.20 I consider it reasonable to conclude the following (as set out in paragraph 10.2 of my Main Report) that;
- The proposal provides appropriate protection for the interests of QII and UWW Transferring Policyholders. I do not consider it necessary to put in place any additional protections in addition to those in the Schemes;
 - There will be no material adverse impact on the security of benefits (which includes claims payments) for any group of policyholders (including the holders of QII Guernsey Policies and the UWW transferring policies) as a result of the proposed Schemes;
 - No group of policyholders (including the holders of the QII Guernsey Policies and the UWW transferring policies) will suffer any reduction in reasonable benefit expectations or service levels as a result of the proposed Schemes; and
 - There will be no material adverse effect on the level of services provided to any group of policyholders (including the holders of the QII Guernsey Policies and the UWW transferring policies) as a result of the proposed Schemes.

Section 2: Updated financial and other information

Introduction

2.1 In this Section, I consider the updated financial and other information provided to me since my Main Report.

Changes to the Scheme

2.2 There have been no changes to the Schemes subsequent to the Directions Hearing which took place on 28 June 2022.

Key developments during the period since my Main Report

2.3 The participant companies have provided me with additional information as set out in Appendix A. I have also participated in meetings with Management and the Heads of the Actuarial Function of the participant companies. In the paragraphs below I have provided an update on the key developments during the period since my Main Report was finalised that have been highlighted to me by the participant companies that in my opinion should be considered in the context of the proposed transfer of business.

2.4 These key developments are as follows:

- The number of policies and funds under management ("FUM") are not materially changed at 30 June 2022 compared to 31 December 2021. This is summarised in Table 2.1 and described in paragraph 2.5.

Table 2.1 – Summary of business in force at 31 December 2021 and 30 June 2022

	Number of policies		FUM (million)	
	31 Dec 2021	30 June 2022	31 Dec 2021	30 June 2022
UPE	44,216	44,105	€ 20,492	€ 18,957
QII*	7,405	7,751	€ 4,591	€ 4,252
UWW Transferring Policies	234	217	£ 11	£ 9

* The number of QII policies shown is significantly more than the number of individual policyholders since a significant number of corporate trustees hold multiple policies in trust on behalf of pension scheme beneficiaries.

- The 30 June 2022 solvency coverage of UPE, QII that was reported to the CBI and the Solvency coverage of UWW that was reported to GFSC is broadly in line with the solvency coverage at 31 December 2021 shown in the Main Report (Section 5) and as shown in Table 2.2 below. I have been provided with an explanation of the movements in solvency cover. The increase in solvency cover is mainly due to market movements and also reflects the €50 million dividend paid by UPE over the period.

Table 2.2 – Solvency coverage at 31 December 2021 and 30 June 2022

Solvency Coverage Ratio		31 December 2021	30 June 2022
UPE	including Italian withholding tax	186%	194%
	excluding Italian withholding tax	143%	146%
QII		187%	222%
UWW		176%	185%

Transferring business

- 2.5 I have been provided with an updated position regarding the number of policies and funds under management in respect UPE, QII and UWW. This information is summarised in Table 2.1 and shows:
- A reduction in FUM for each of the entities. This is largely due to market movements over 2022.
 - An increase in QII policy counts, reflecting the net impact of run-off and new business sold over 2022.
 - UWW Transferring Business now only includes Vision policies whereas previously it was expected that there would also be a small number of Legacy Unit-Linked policies transferring to UPE. This change is as a result of run-off over 2022 as well an updated assessment of the policies in scope of the transfer.
- 2.6 The change in policy counts and funds under management have moved broadly in line with expectations and do not invalidate the conclusions set out in my main report.

UPE solvency position

2.7 The solvency position reported by UPE at 30 June 2022 with a comparison to the solvency position at 31 December 2021 are shown in Table 2.3.

Table 2.3 – Pre-transfer UPE solvency position

€ million	31-Dec-2021	30-Jun-2022
Total Assets	21,389.6	19,586.2
Best Estimate Liability – unit liability	20,736.0	18,927.3
Best Estimate Liability – non-unit liability	(136.2)	(61.0)
Risk Margin	122.6	103.5
Other Liabilities	143.4	150.4
Deferred Tax Liability	36.0	31.9
Total Liabilities	20,901.8	19,152.1
Own Funds (Asset less Liabilities)	487.8	434.1
Subordinated Debt	23.8	23.2
Adjusted Own Funds	511.6	457.3
Solvency Capital Requirement	275.3	235.9
Excess Assets	236.2	221.4
Solvency Coverage Ratio	186%	194%
Adjusted Own Funds excl. Italian Withholding Tax asset (IWT)	382.2	332.6
Solvency Capital Requirement excl. IWT	267.6	227.6
Excess Assets excluding IWT	114.6	105.0
Solvency Coverage Ratio excluding IWT	143%	146%

- 2.8 I have been provided with an explanation of the changes between UPE's reported solvency position at 31 December 2021 and the reported solvency position at 30 June 2022 Over this period:
- Adjusted Own Funds fell by €54.3 million. The primary reason for this reduction is the €50 million dividend payment which was paid in April 2022. Other relatively minor impacts were as a result of market movements, new business and basis change impacts.
 - SCR fell by €39.4 million. The main drivers of this were lower market risk SCR and lower insurance risk SCR, including equity, currency, spread and mass lapse risks, resulting from lower funds under management
- 2.9 The net impact of the movements described above result in an increase in coverage ratio from 186% to 194% and 143% to 146% (excluding the Italian Withholding Tax asset which is described further in my main report).
- 2.10 These movements are relatively minor and do not invalidate the conclusions set out in my Main Report.

QII solvency position

2.11 The solvency position reported by QII at 30 June 2022 with a comparison to the solvency position at 31 December 2021 is shown in Table 2.4.

Table 2.4 – Pre-transfer QII solvency position

€ million	31-Dec-2021	30-Jun-2022
Total Assets	4,605.3	4,267.1
Best Estimate Liability – unit liability	4,591.5	4,252.1
Best Estimate Liability – non-unit liability	(103.5)	(117.1)
Risk Margin	19.4	17.3
Other Liabilities	24.9	22.2
Deferred Tax Liability	-	-
Total Liabilities	4,532.3	4,174.5
Own Funds (Asset less Liabilities)	73.0	92.6
Subordinated Debt	-	-
Adjusted Own Funds	73.0	92.6
	-	-
Solvency Capital Requirement	38.9	41.7
Excess Assets	34.1	50.9
Solvency Coverage Ratio	187%	222%

2.12 I have been provided with an explanation of the changes between QII's reported solvency position at 31 December 2021 and the reported solvency position at 30 June 2022. Over this period:

- Adjusted Own Funds increased by €19.6 million. The primary reasons for this increase are market movements, including the increase in interest rates over the period as well as new business sales.
- SCR increased by €2.8 million. The main driver of this was higher market risk SCR, largely resulting from the increase in interest rates over the period.

2.13 The net impact of the movements described above result in an increase in coverage ratio from 187% to 222%.

2.14 The movements described above do not invalidate the conclusions set out in my Main Report.

UWW solvency position

2.15 The solvency position reported by UWW at 30 June 2022 with a comparison to the solvency position at 31 December 2021 is shown in Table 2.5.

Table 2.5 – Pre-transfer UWW solvency position (figures shown in GBP)

£ million	31-Dec-2021	30-Jun-2022
Total Assets	4,372.6	3,929.5
Best Estimate Liability – unit liability	3,461.3	3,053.6
Best Estimate Liability – non-unit liability	389.4	412.8
Risk Margin	42.7	35.5
Other Liabilities	129.9	142.6
Deferred Tax Liability	3.4	4.0
Total Liabilities	4,026.7	3,648.4
Own Funds (Asset less Liabilities)	345.9	281.1
Restriction to Own Funds due to ring-fenced funds	(12.0)	(4.9)
Adjusted Own Funds	333.9	276.1
Solvency Capital Requirement	189.5	149.6
Excess Assets	144.4	126.6
Solvency Coverage Ratio	176%	185%

2.16 I have been provided with an explanation of the changes between UWW's reported solvency position at 31 December 2021 and the reported solvency position at 30 June 2022. Over this period:

- Adjusted Own Funds decreased by £57.8 million. The primary reason for this reduction is the £40 million dividend payment which was paid in May 2022. Other impacts included reductions due to market movements, including equity market falls.
- SCR decreased by £39.9 million. The main driver of this is lower market risk SCR, largely resulting from lower equity risk capital, and lower insurance risk capital, largely due to lower lapse risk capital.

2.17 The net impact of the movements described above result in an increase in coverage ratio from 176% to 185%.

2.18 The movements described above do not invalidate the conclusions set out in my Main Report.

Post-transfer position

2.19 The pre-transfer solvency cover and the post-transfer solvency cover are shown in Table 2.6.

Table 2.6 – Solvency position pre- and post-transfer as at 30 June 2022*

€million	Pre-Transfer		Post Transfer	
	UPE	QII	Diversification and aggregation**	UPE (Post)***
Assets	19,586.2	4,267.1	(86.8)	23,766.5
BEL - unit-linked/UWP	18,927.3	4,252.1	-	23,179.4
BEL - non-linked	(61.0)	(117.1)	(1.3)	(179.4)
RM	103.5	17.3	(2.2)	118.6
Other liabilities	150.4	22.2	-	172.5
DTL	31.9	-	0.0	32.0
Total liabilities	19,152.1	4,174.5	(3.6)	23,323.1
Own Funds	434.1	92.6	(83.2)	443.4
Subordinated debt	23.2	-	-	23.2
Adjusted Own Funds	457.3	92.6	(83.2)	466.7
SCR post LACDT	235.9	41.7	(16.2)	261.4
Solvency Coverage Ratio****	194%	222%		179%
Adjusted Own Funds (excl IWT asset)	332.6	92.6	(83.3)	341.9
SCR post LACDT (excluding IWT asset)	227.6	41.7	(14.7)	254.6
Solvency Coverage Ratio (excl IWT asset)*****	146%	222%		134%

* Some of the figures in this table may not sum due to rounding

**This column represents the impacts of combining the transferring business from QII and UWW in UPE. The own funds of QII are already included in UPE's assets, so an adjustment is made to strip these out to avoid double counting.

*** Includes the UWW transferring business

**** Represents the coverage if the IWT asset is included in the own funds and stressed in the SCR of UPE.

***** Represents the coverage if the IWT asset is not included in the own funds or stressed in the SCR of UPE

2.20 Consistent with the observations made in my Main Report, Table 2.6 demonstrates that at 30 June 2022, after taking the proposed transfers into account, UPE continues to have sufficient assets to meet its legislative capital requirements and its current capital targets (namely to maintain solvency cover in excess of 135% including the IWT asset and 100% excluding the IWT asset, and to not pay a dividend that would reduce solvency cover to below 150% including the IWT asset or 110% excluding the IWT asset).

2.21 I have been informed that the UPE post-Schemes results shown in Table 2.6 also incorporate modelling developments and assumptions changes relative to the result included in my Main Report. These changes include the harmonisation of assumptions and the modelling methodology in respect of the mass lapse and expense stresses. I have been provided with a

note which explains and quantifies the impact of these changes, which in aggregate are not material.

- 2.22 The movement in the post-transfer balance sheet at 30 June 2022 as described above do not invalidate the conclusions set out in my Main Report.

Policyholder protections for UWW Transferring Business

- 2.23 The UWW Guernsey Scheme is dependent on the reinsurance arrangement in respect of the UWW Transferring policyholders which will be entirely reinsured from UPE back to UWW at the same time as the Scheme comes into force. The reinsurance arrangement will only come into effect if the UWW Guernsey Scheme comes into effect.
- 2.24 I have been provided with an update to the proposed reinsurance treaty between UWW and UPE which has now been approved by both companies. This is expected to come into force at the point of transfer. The effect of the reinsurance treaty is that the assets representing 90% of the liabilities under the UWW transferring policies remain in UWW's policyholder protection trust in Guernsey; although they now represent the liability of UWW to UPE under the reinsurance treaty and are held for the benefit of UPE rather than directly for the benefit of the UWW transferring policyholders. In the event of the insolvency of UWW, the assets will be held directly for UPE to enable it to meet its liabilities to the UWW transferring policyholders. In the event of the insolvency of UPE the UWW transferring policyholders will have the protections afforded by the Irish regulatory regime under which the assets representing technical reserves (including the rights under the reinsurance agreement) will be available in absolute priority to meet policyholders' claims.
- 2.25 I am comfortable that this arrangement would not result in materially different policyholder protections for UWW Transferring policies compared to what policyholders currently enjoy and so this does not invalidate the conclusions set out in my Main Report.

Potential Litigation

- 2.26 I have been informed that litigation may be pending against QII. This is based on recent correspondence received by QII, although I understand that proceedings have not yet been issued. As the process is in its early stages, there is limited information available for me to be able to assess the implications of this to policyholders.
- 2.27 However, as QII is a wholly owned subsidiary of UPE, the value of QII is held on UPE's balance sheet and therefore any impact which this or any litigation would have on QII would also impact UPE pre-Schemes. Given this, UPE policyholders are already exposed to litigation risks in QII and so the Schemes would not materially impact the litigation risk to which UPE policyholders are exposed and so I do not believe that this potential litigation would invalidate the conclusions set out in my Main Report.

Existing reinsurance arrangements

- 2.28 In paragraph 7.34 of my Main Report, I described a reinsurance arrangement relating to a previous Scheme of Transfer involving QII. These arrangements are to be replicated post-Schemes such that the affected QII Transferring Policyholders would continue to enjoy the protections afforded by the prior Scheme. I have been informed that these arrangements have now been put in place and will take effect at the effective time of the Irish Scheme, if approved, and so this does not invalidate the conclusions set out in my Main Report.

Objections and complaints

- 2.29 I have been informed that the communication approach is consistent with what was described in Section 4 of my Main report:

- A letter was sent to transferring QII and UWW policyholders providing outline details of the Schemes and information on how to access the Policyholder Circular, including my Main Report.
- A number of press advertisements (including in the international edition of the Financial Times) were also made as listed in Section 4 of my Main Report.
- Scheme information as described in Section 4 of my Main Report was made available to any relevant parties from the offices of UPE, QII and UWW and was also made available on a dedicated website relating to this transfer.

2.30 I have been informed that no policyholders have indicated their intention to object to the transfer.

Update on points raised in the Main Report

2.31 The conclusions set out in paragraph 10.2 of my Main Report were subject to a number of points listed in paragraph 10.1 of my Main Report. I have provided an update on these points based on information provided since the date of my Main Report.

Table 2.7 – Update on points raised in paragraph 10.1 of my Main Report

Point raised	Update
That there are no changes to my opinion as a result of any activities within the wider Utmost Group between now and the date of implementation of the Schemes.	I have been informed that there are no wider Utmost Group activities that will impact on the Schemes.
That the final terms of the reinsurance treaty between UWW and UPE described paragraph 8.25 will not materially worsen the protections that policyholders currently enjoy; and	I have been provided with an update to the proposed reinsurance treaty between UWW and UPE which has now been approved by both companies. This is expected to come into force at the point of transfer. The effect of the reinsurance treaty is that the assets representing 90% of the liabilities under the UWW transferring policies remain in UWW's policyholder protection trust in Guernsey; although they now represent the liability of UWW to UPE under the reinsurance treaty and are held for the benefit of UPE rather than directly for the benefit of the UWW transferring policyholders. In the event of the insolvency of UWW, the assets will be held directly for UPE to enable it to meet its liabilities to the UWW transferring policyholders. In the event of the insolvency of UPE the UWW transferring policyholders will have the protections afforded by the Irish regulatory regime under which the assets representing technical reserves (including the rights under the reinsurance agreement) will be available in absolute priority to meet policyholders' claims.

Conclusion

- 2.32 The conclusions set out in paragraph 10.2 of my Main Report were subject to a number of points listed in paragraph 10.1 of my Main Report. Since the date of my Main Report all of these points have been addressed (see paragraph 2.31 and Table 2.7 above).
- 2.33 The actual solvency positions at 30 June 2022 reported to the CBI by UPE and QII and to GSFC by UWW were broadly in line with the solvency position at 31 December 2021 for each entity. The post-transfer UPE position at 30 June 2022 is broadly similar to the corresponding 31 December 2021 position detailed in my Main Report. Therefore the updated solvency information does not invalidate the conclusions set out in my Main Report.
- 2.34 Taking account of the updated information as set out in this Supplementary Report, including the updated solvency coverage at 30 June 2022 for each of the three participant companies, I conclude that there is no reason to change the conclusions made in my Main Report.
- 2.35 Based on the information provided to me, I consider it reasonable to conclude the following (as set out in section 10.2 of my Main Report) that;
- The proposal provides appropriate protection for the interests of QII and UWW Transferring Policyholders. I do not consider it necessary to put in place any additional protections in addition to those in the Schemes;

- There will be no material adverse impact on the security of benefits (which includes claims payments) for any group of policyholders (including the holders of QII Guernsey Policies and the UWW transferring policies) as a result of the proposed Schemes;
- No group of policyholders (including the holders of the QII Guernsey Policies and the UWW transferring policies) will suffer any reduction in reasonable benefit expectations or service levels as a result of the proposed Schemes; and
- There will be no material adverse effect on the level of services provided to any group of policyholders (including the holders of the QII Guernsey Policies and the UWW transferring policies) as a result of the proposed Schemes.



Fergal O'Shea FSAI
Senior Director
Willis Towers Watson (Ireland) Limited

6 September 2022

Willis Towers Watson (Ireland) Limited
Elm Park Green
Merrion Road
Dublin 4
D04 P231

Section 3: Reliances and limitations

Reliances

The purpose of the report is to set out my assessment of the likely effects of the proposed Schemes on the long-term policyholders of Utmost PanEurope dac, Quilter International Ireland DAC and Utmost Worldwide Limited and it should not be used for any other purpose or in any other context.

In carrying out my review and producing this report I have relied without independent verification upon the accuracy and completeness of the data and information provided to me, both in written and oral form, by UPE, QII and UWW. I have not independently audited nor verified this information; however, I have reviewed it for general reasonableness and consistency with my knowledge of the insurance industry. In particular, I have relied upon the accuracy and completeness of the contents of the documents, data and information set out in Appendix A of this report, including all related calculations provided.

Limitations

This report has been produced for use by the various parties involved with this proposed Transfer which include:

- The Court having jurisdiction over the proposed transfer;
- The Royal Court of Guernsey;
- The Directors and the Head of Actuarial Function of UPE;
- The Directors and the Head of Actuarial Function of QII;
- The Directors and the Appointed Actuary of UWW;
- Policyholders of UPE, QII & UWW;
- The Central Bank of Ireland;
- The Guernsey Financial Services Commission; and
- Professional advisors appointed by any of the above in connection with the proposed transfer.

No part of this report is to be disclosed to, or relied on, by any third party without the prior written consent of Willis Towers Watson, with the exception of making the report available for inspection by or circulation to policyholders as required by legislation or in order to meet any other specified legal requirements.

This report must be considered in its entirety as individual sections, if considered in isolation, may be misleading. Draft versions of this report must not be relied upon by any person for any purpose. No reliance should be placed on any advice not given in writing. If reliance is placed contrary to the guidelines set out above, Willis Towers Watson disclaim any and all liability which may arise.

I have not attempted to assess the suitability or quality of UPE's assets or QII's assets or UWW's assets. I have also not investigated, or made allowance for, any claims against UPE, QII or UWW other than those made by policyholders under the normal terms of life insurance business. In particular, no account has been taken of liabilities in respect of leases and breaches of legislation, regulatory rules or guidance.

Assumptions are made about future experience, including economic and investment experience, tax, expenses, discontinuance rates, mortality, reinsurance and legislation. These assumptions have been set by UPE, QII and UWW. However, actual future experience is likely to differ from these assumptions, due to random fluctuations, changes in the operating environment and other factors. Such variations in experience could have a significant effect on the results and conclusions of this report. No warranty is given by Willis Towers Watson that the assumptions made in this report will be reflected in actual future experience.

My review is based on the documentation provided by UPE, QII and UWW and is from the viewpoint of actuarial advisers. In particular we are not providing you with legal, audit, accountancy or tax advice, which are outside the normal scope of our services. Where, in the course of providing our services, we need to interpret a document, deed, accounts or relevant taxation provision in order to advise you, we do so with the reasonable skill and care to be expected of us in our professional capacity but you acknowledge that we are neither lawyers nor tax advisers nor accountants and accordingly should you want definitive advice for example, as to the proper interpretation of a document, deed, accounts or relevant taxation provision you should consult your lawyers, accountants or tax advisers for that advice.

The report does not consider possible financial implications arising from the introduction of new regulatory reporting requirements which may, for example, increase the level of capital support required to sustain the business or constrain the way in which the assets are invested.

This report was not specifically intended to, and may not therefore, address the particular needs, concerns or objectives of any individual policyholder.

If reliance is placed contrary to the guidelines set out above, Willis Towers Watson disclaim any and all liability which may arise

This report was based on data available to Willis Towers Watson, or prior to, 6 September 2022, and takes no account of developments after that date. Willis Towers Watson is under no obligation to update or correct inaccuracies which may become apparent in the report.

This report is subject to the terms and limitations, including limitation of liability, set out in our Statement of Work document dated 8 November 2021. The total liability of Willis Towers Watson arising out of or in connection with the services provided in contract tort or otherwise (in each case including, but not limited to, negligence) shall be limited to a maximum of €2 million divided equally between UPE and QII.

Willis Towers Watson shall not be liable in contract tort or otherwise for any loss of revenue, business, contracts, anticipated savings or profits or for any other indirect or consequential loss whatsoever.

Any limitation of liability shall be construed to the fullest extent permitted by law.

Legal jurisdiction

This Report will be governed by and construed in accordance with Irish law and the parties submit to the exclusive jurisdiction of the Irish courts in connection with all disputes and differences arising out of, under or in connection with this Report. If any part of a provision of this Report is held invalid, illegal or unenforceable then the remainder of such provision shall remain valid and enforceable to the fullest extent permitted by law.

Appendix A: Further information considered

In writing this report, I relied upon the accuracy of certain documents and spreadsheets provided by UPE, QII and UWW

In addition to those detailed in my Main Report, these included, but were not limited to the following:

- UPE: Q1 2022 - Quarterly Risk and Finance Signoff v1.0_clean.docx
- UPE: Q2 2022 - Quarterly Risk and Finance Signoff v3.0_clean.docx
- QINTI SII Results Summary Q2 2022.docx
- UW Solvency Result 2Q22 v2 draft.pdf
- GSY UW SCHEME_ Reinsurance Agreement - (8 August 2022) WCS Amends.docx
- GSY UW SCHEME_ 2022-08-08- UW Scheme Document (final).PDF
- 2022-05-12 DUTCH SCHEME_ Utmost Policyholder Protection Regime - Ireland Guernsey (CO updated draft v 1) WCS Clean +FK2.doc
- Q222_Policy_Count_IA Submission.xlsx
- IA_Model_Harmonising_Note_Q222_v0.2.docx
- Emails received providing information on the potential QII litigation
- Emails received providing information of policyholder engagement with the transfer.