



24<sup>th</sup> June 2005

### **Resolution reassures £1.5 billion annuity book to the Prudential**

Resolution Life Group (Resolution), the largest consolidator of UK closed life funds, announces that it has entered into a reinsurance treaty with Prudential Pensions Limited (Prudential), a subsidiary of Prudential plc, for the transfer of the pension annuity portfolio written in the with-profits fund of Resolution Life Group's subsidiary, Phoenix Life & Pensions Ltd (PLP). The reinsurance premium is expected to be approximately £1.5bn and is due to be paid on 1 September 2005, however economic risk in relation to the portfolio is effectively passed to Prudential with effect from 1<sup>st</sup> January 2005.

This transaction does not affect the terms of annuity payments to the 52,500 PLP policyholders concerned, who need take no action. PLP will continue to make payment to annuitants and will be reimbursed by Prudential until such time as the Prudential takes over direct responsibility for the administration and payments following a full transfer of the business from PLP to Prudential.

During the negotiations which led to the announcement of the proposed merger of Resolution and Britannic Group plc ("Britannic"), Britannic were kept informed of this transaction, which will have an immaterial impact on the embedded value of Resolution.

Clive Cowdery, CEO of Resolution, commented: "Following the sale of the £2.2bn in-force annuities book of its subsidiary Phoenix & London Assurance Company Limited to Canada Life in May, this further sale of PLP annuities to Prudential is another example of Resolution actively managing and seeking to de-risk policyholder funds. In the longer term this should improve returns for policyholders and shareholders."

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## Notes to editors

### Resolution

Resolution was formed in 2004 for the sole purpose of buying and running closed UK life funds. It manages closed funds with over £25 billion worth of assets and serves 2.25 million policyholders with more than 3 million in-force policies. This follows the acquisition in March 2005 of Swiss Life (UK) Group plc, from Swiss Life Group for £205 million, and its acquisition in September 2004 of R&SA Life, from Royal & SunAlliance Insurance Group plc, for £850 million.

Resolution has recently announced that it plans to merge with Britannic Group plc (Britannic) to form the UK's leading consolidator of closed life funds. The merger is due to be completed in Q3 2005, subject to the approval of Britannic's shareholders, and the required regulatory clearances.

[www.resolutionlifegroup.com](http://www.resolutionlifegroup.com)

### Phoenix

Phoenix is a subsidiary of Resolution and has been created to integrate its recent acquisitions, the former Royal & Sun Alliance UK life business and Swiss Life (UK) plc, into one business.

### Prudential

Prudential is a leading life and pensions provider to approximately 7 million customers in the United Kingdom. It has around 6,800 full-time staff, offices located in London, Reading, Belfast, Dublin and Stirling, and a customer service centre in Mumbai.

**Products:** Bulk and Individual Annuities, Corporate Pensions, With-Profits and Unit-Linked Bonds, Savings and Investments, Equity Release, Healthcare and Protection.

**Distribution Channels:** Direct to customers (telephone, internet and mail), Independent Financial Advisers, Business to Business (consulting actuaries and benefit advisers), and Partnerships (affinities and banks).

Resolution Life Group Limited is registered in England (registered number 04560770) and has its registered office at Juxon House, 100 St Paul's Churchyard London EC4M 8BU. Resolution Life Services Limited (registered number 05175197) has its registered office at New Hall Place, Old Hall Street, Liverpool L3 9UE.