

## **METLIFE EUROPE D.A.C. – PART VII TRANSFER FREQUENTLY ASKED QUESTIONS**

### **1. WHAT IS HAPPENING AND WHY**

#### **1.1 Why are you contacting me?**

When you took out your policy with us, you contracted with the UK branch of our Irish insurer, MetLife Europe d.a.c. (“**MetLife Europe**”).

As part of an internal reorganization between two MetLife entities triggered by the UK’s exit from the European Union on 31 January 2020 (Brexit), we, MetLife Europe, are planning to transfer our UK retirement and investments business to MetLife UK Limited (“**MetLife UK**”). Our records show that you (or someone you represent) have an interest in one or more policies that will transfer to MetLife UK under this proposal.

We are required by law to tell you about this planned transfer and to give you the opportunity to object.

#### **1.2 What are MetLife Europe and MetLife UK proposing to do?**

The proposed transfer will result in the retirement and investments business of MetLife Europe’s UK branch transferring to MetLife UK. The products that we are proposing to transfer are detailed at 1.6 below.

The transfer will be carried out under Part VII of the Financial Services and Markets Act 2000. This means that the High Court of Justice in England and Wales (the “**Court**”) will need to approve (or ‘sanction’) the transfer in order for it to take effect. If the Court does approve this proposal, then it is intended that the transfer will take effect on 1 April 2024. Further details on the transfer process and Court hearing are provided at 3 and 4 below.

In addition, if you hold the MetLife Retirement Portfolio product, MetLife UK will take over the role of scheme administrator and sole trustee from MetLife Pension Trustees Limited (“**MPTL**”).

#### **1.3 Why is this transfer necessary?**

MetLife Europe is incorporated in Ireland. Its ability to continue to perform insurance business in the UK was impacted by Brexit. MetLife Europe’s UK branch has applied for UK authorisation. However, it has been decided, in conjunction with the UK regulators, that the UK retirement and investments business should sit within a UK entity. It is therefore necessary to transfer this business out of MetLife Europe and into MetLife UK.

#### **1.4 Who is MetLife Europe?**

You currently contract with MetLife Europe in relation to your policy. MetLife Europe is an Irish company which offers a range of life insurance products, including, amongst other things, retirement and investment products. It is an insurance undertaking authorised and regulated by the Central Bank of Ireland. MetLife Europe operates in the UK through its UK branch.

**1.5 Who is MetLife UK?**

MetLife UK is an English company which has been established to receive MetLife Europe UK branch’s retirement and investments business. With effect from 1 January 2024 MetLife UK will be authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority (“PRA”).

**1.6 What is being transferred?**

MetLife Europe is proposing to transfer the following products to MetLife UK:

- 1.6.1 The MetLife Trustee Investment Plan and MetLife Trustee Retirement Portfolio;
- 1.6.2 The MetLife Retirement Portfolio;
- 1.6.3 The MetLife ISA Portfolio; and
- 1.6.4 The MetLife Investment Bond Portfolio UK.

These products fall within the definition of a ‘life policy’ under UK law and are unit-linked investment products.

**1.7 What is the proposed timing for the transfer?**

If the Court approves the transfer, then we expect the transfer to take place on 1 April 2024. Section 4 provides more detail on the Court hearing. If there are any changes to the proposed process (such as a change to the date on which the transfer will take place) then we will provide details on our website.

**1.8 I didn’t know that I had a policy with MetLife, why have you written to me?**

The letter accompanying this booklet provides further details about your policy. However, if you have any questions, please contact us using the contact details provided at 5.4 below.

**2. HOW THIS AFFECTS YOU**

**2.1 Which of my policies are transferring?**

If you have any of the products listed at 1.6 above, they will transfer from MetLife Europe to MetLife UK if the proposed transfer is approved.

If you have any other MetLife Europe products these will not transfer to MetLife UK and will remain with MetLife Europe.

**2.2 Will my benefits or guarantee change after the transfers?**

The proposed transfer will not affect your benefits or the terms of any guarantee you have taken out with us. The value of your policy, the method for paying any regular contributions that you make, and your rights and obligations under your policy all remain unchanged. As the transfer forms part of an internal reorganisation, the transfer will also have no impact on the administration of your policy nor the levels of service that you receive.

How you deal with MetLife will remain the same, including in relation to any claim or complaint. Your policy number and terms and conditions will also remain unchanged. You

will also continue to have access to the Financial Ombudsman Services and Financial Services Compensation Scheme protection if these are currently available to you.

The only change will be the replacement of MetLife Europe as your insurer by MetLife UK, unless you have a MetLife Retirement Portfolio product. If you hold the product then there will be an additional change as MPTL will be replaced by MetLife UK as the scheme administrator and sole trustee.

**2.3 How does this impact my investments?**

The transfer will have no impact on the value of the units allocated to your policy nor to the associated charges.

Currently your policy is allocated units in funds managed by MetLife Europe. Each of these MetLife Europe funds invests in certain third-party funds. As a result, the values of the units allocated to your policy are determined by the performance of the third-party funds.

As part of the transfer process MetLife UK will establish a series of funds that replicate the current MetLife Europe funds. Each MetLife UK fund will invest in the same third-party fund as the corresponding MetLife Europe fund.

As part of the transfer process, your policy will be allocated the same number and classes of units in a MetLife UK fund as are allocated to it in respect of the corresponding MetLife Europe fund now. As the value of these units is determined by the performance of the same third-party funds, the value of your investments will not be impacted by the transfer. Similarly, the applicable charges will remain the same.

**2.4 Will this impact how I make contributions?**

Any standing order or direct debit that is currently in place will automatically be paid to MetLife UK after the transfer takes place. You do not need to complete a new direct debit or standing order instruction.

**2.5 How can I be sure of the financial strength of MetLife UK?**

The future financial strength of MetLife UK Limited, as well as its position in relation to Group support, has been assessed by an independent expert and the Prudential Regulation Authority and presented to the UK Court.

**2.6 How can I be sure this will not be detrimental to me?**

Your interests and the interests of other policyholders are protected by the legal process we are required to follow:

- The transfer can only go ahead if it is approved by the Court. The Court will only approve the transfer if it is satisfied that the transfer is appropriate in all the circumstances. The Court will base its decision on the reports submitted by an independent expert, the PRA, and the Financial Conduct Authority (“FCA”). It will also consider any objections that may be made by the PRA, the FCA, policyholders or any other stakeholders impacted by the proposed transfer.
- We have appointed an independent expert who has been approved by the PRA, in consultation with the FCA. The independent expert has reviewed the terms of the transfer and produced a report for the Court. Further information on the independent expert and the findings of his report are set out at 3.4 and 3.5 below.

- We have consulted with the PRA and FCA throughout the transfer process. Each of these regulators has assessed the proposed transfer against their statutory objectives and submitted reports to the Court. The statutory objectives of the PRA includes securing an appropriate degree of protection for policyholders, and the statutory objectives of the FCA includes protecting consumers from bad conduct. Further information about these regulators is set out at 3.6 and 3.7 below.
- We are writing to tell you about the proposed transfer to give you an opportunity to raise any concerns before the transfer takes effect. You and other policyholders can object if you think you will be adversely affected.

**2.7 Will I get updated policy documents?**

No, your existing policy documents will not need to be changed. Your policy terms and conditions will not be affected by this change. References to MetLife Europe d.a.c or MetLife Europe in your policy documentation should, following completion of the proposed transfer, be read as referring to MetLife UK Limited or MetLife UK.

**2.8 Will I still be able to make a complaint to the Financial Ombudsman Service after the transfer?**

Yes, existing rights are not affected. The Financial Ombudsman Service provides consumers with a free, independent service for resolving disputes with financial firms.

**2.9 Will I still be eligible for compensation from the Financial Services Compensation Scheme following the transfer?**

Yes, existing rights are not affected. To the extent eligible, customers in the UK with policies transferring to MetLife UK, will be covered by the Financial Services Compensation Scheme. This means you may be entitled to compensation if MetLife UK is unable to meet its obligations to you.

**2.10 I am not in the UK – does this matter?**

No. MetLife Europe will still send you the communications in relation to the proposed transfer, at the address you have notified to MetLife Europe. These will be the same communications provided to people within the UK.

**2.11 What can I do if I hold a power of attorney for a policyholder or have been appointed as a deputy for a policyholder by the Court of Protection?**

As potentially affected parties, both you (as attorney or deputy) and the policyholder are entitled to raise concerns or object to the transfer. You do not need to do anything following the transfer as details of the power of attorney or deputyship will continue as before. Objections can only be made up until the court hearing.

**2.12 Who will administer my policy when I am no longer a customer of MetLife Europe? Will the standard of service change?**

MetLife UK will be responsible for administering your policy. The administrator that will be used by MetLife UK will be the same entity as is currently used by MetLife Europe. You should therefore rest assured that you will continue to receive the same standards of service as before.

2.13 **How will this affect my personal details? Will they be safe?**

MetLife Europe will need to transfer your personal details to MetLife UK in order for MetLife UK to communicate with you, manage payments under your policy, and otherwise administer and take relevant actions in relation to your policy. MetLife UK is subject to the same data protection legislation as the UK branch of MetLife Europe and your details will continue to be held in line with the MetLife privacy policy. Your personal details will therefore remain secure, and you will benefit from the same protections that are currently in place. The MetLife UK privacy notice can be found here: <https://www.metlife.eu/transfer-documents/>.

2.14 **Will the proposals change the tax status of my policy?**

No. The tax status of your policy will not change because of the proposed transfer. This means that there will be no direct changes to any tax which may be payable on the proceeds of your policy.

2.15 **What should I do if the policy has been assigned?**

If you have assigned your policy to another person and not informed us or provided us with the assignee's contact details, you should inform the assignee about the proposed transfer to the extent it is possible and appropriate for you to do so. We will, upon request, provide copies of this communication pack, free of charge, which you can then pass on to the assignee.

2.16 **Should I tell anyone else about the proposed transfer?**

We may not have been able to communicate with all individuals that have an interest in your policy, either because we do not hold the relevant contact details, or because it is not appropriate or practicable for us to do so. Other individuals that we have not contacted but who may have an interest in your policy include:

- Any persons that may benefit from the policy (including trust beneficiaries if the policy was bought by a trustee, or employees if the policy was bought by a company) if you hold the MetLife Onshore Bond products;
- Any person who has received a pension sharing order in respect of your policy, unless you have already informed MetLife Europe of the order and provided MetLife Europe with the recipient's contact details; and
- Any person to whom you have transferred your policy.

You should inform other individuals with an interest in your policy about the proposed transfer to the extent it is possible and appropriate for you to do so. We will, upon request, provide copies of this communication pack, free of charge, which you can then pass on to the relevant person.

**3. MORE INFORMATION ABOUT THE TRANSFER PROCESS**

3.1 **How will the transfer be implemented?**

The proposed transfer will be carried out through a legal process under Part VII of the Financial Services and Markets Act 2000. This process allows an insurer to transfer parts of its insurance business to another insurer, if it is approved by the Court.

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<sup>1</sup> **Drafting note:** Insert hyperlink.

### 3.2 **How are the Courts involved in the process?**

The application for this transfer will be decided at a Court hearing in England. This hearing is scheduled to take place in the Court on 12<sup>th</sup> February 2024. At the hearing, MetLife Europe and MetLife UK will explain to the Court the terms of, reasons for, and impact of the transfer.

The Judge will:

- consider whether all of the legal procedures for completing the transfer have been followed correctly;
- review the evidence presented by MetLife Europe and MetLife UK, and consider the reports of the independent expert, the PRA and the FCA; and
- hear any objections made (whether in writing or in person) by affected policyholders or any other person who alleges that they would be adversely affected by the proposals.

The Judge must decide whether or not it is appropriate to approve the transfer, taking all of the evidence into account. If the transfer is approved, then a Court order is made which allows the transfer to come into effect at a specific time set out in the Court order.

### 3.3 **Who will pay for the cost of the transfer?**

MetLife will pay the costs associated with the proposed transfers. No costs will be passed on to you or any other policyholders.

### 3.4 **Who is the independent expert, and what is their role?**

The independent expert is Robert Bugg, a partner at Milliman LLP. Robert is a Fellow of the Institute and Faculty of Actuaries, having qualified in 2009.

The independent expert has been appointed to report his opinion on the likely effect of the proposals on policyholders and other interested parties. The PRA, following consultation with the FCA, approved Robert's appointment as the independent expert for this transfer.

The independent expert's overriding duty of responsibility is to the Court and not to the MetLife companies involved in the proposed transfer. The independent expert's report is prepared for submission to the Court. It is required to be impartial and acknowledges the independent expert's obligation to act independently.

The independent expert's report is based on a thorough scrutiny of the proposals and the businesses of MetLife Europe and MetLife UK. Each company has provided Robert with access to key staff and any information he has requested, both private and public.

### 3.5 **What is the independent expert's opinion about the proposed transfer?**

The independent expert has concluded that, in his opinion, implementing the transfer will not have a material adverse effect on the security of benefits of any policyholders of MetLife Europe or MetLife UK, nor any significant effect on the contractual rights and levels of service, management and governance provided to policyholders.

Further detail on the independent expert's report can be found in the:

- Summary of the independent expert's report, which is provided as part of this communication pack; and

- The independent expert's full report, which we would be happy to provide. You can request a copy of this by contacting us on the details provided at 5.4 below or by downloading additional copies of this and other documents from <https://www.metlife.eu/transfer-documents/>.

### 3.6 **Who are the relevant regulators, and what is their role?**

The relevant regulators are the PRA and the FCA.

The PRA is part of the Bank of England and is responsible for the prudential regulation and supervision of insurers in the UK. The PRA has objectives to promote the safety and soundness of the firms it regulates; and to contribute to the securing of an appropriate degree of protection for those who are or may become policyholders.

The FCA is an independent public body funded entirely by the firms it regulates. It is accountable to the Treasury, which is responsible for the UK's financial system, and to Parliament.

The FCA aims to make markets work well – for individuals, for businesses and for the economy as a whole. Its aims are to:

- protect consumers from bad conduct;
- protect the integrity of the UK financial system; and
- promote effective competition in the interests of consumers.

The regulators will each assess the proposed transfer and submit reports to the Court setting out their views of the transfer. The regulators will consider the impact of the proposed transfer on policyholders, the adequacy of the information provided to policyholders about the proposed transfer, and whether policyholders have been given sufficient time to consider that information.

### 3.7 **Will the regulators approve the transfer?**

No, the Court is required to approve the transfer. The regulators will assess the proposed transfer and provide a report to the Court.

## 4. **THE COURTHEARING**

### 4.1 **Where and when will the court hearings take place?**

The Court hearing is scheduled to take place on 12<sup>th</sup> February 2024 at Strand, London WC2A 2LL. We will publish the time of the hearing closer to the date.

### 4.2 **How will you let me know of any changes to the court hearing?**

The MetLife website will be updated if there is any change to the proposed date of the Court hearing.

### 4.3 **Can I attend the court hearing?**

All policyholders are entitled to attend the relevant hearing.

### 4.4 **Is there an opportunity to vote on the proposed transfer?**

No. However, you do have a right to raise any concerns or object to the proposed transfer and the Court will consider any concerns or objections made. Further details on how you can raise concerns or objections are provided at 5.3 below.

4.5 **Can I choose not to have my policy transferred?**

You are not able to choose whether your policy is transferred. If the Court approves the transfer your policy will transfer. If you have any objections to the proposals, you are entitled to raise them with the Court. Further details on how to do this are provided at 5.3 below.

4.6 **How will I find out if the court has approved the transfer?**

After the Court hearing we will update our website with the Court's decision on the transfer.

4.7 **What happens if the court does not approve the transfer?**

If the Court does not approve the transfer, the transfer will not take effect. In that case, your insurance policy will simply remain with MetLife Europe.

4.8 **Will I receive any payment if the transfer is approved?**

You will not receive any payment as a result of the transfer being approved.

**5. NEXT STEPS**

5.1 **What do I need to do now?**

Further details about our proposal are enclosed in this booklet and covering letter. We recommend that you read these documents. If you have no further queries, you do not need to take any further action.

5.2 **Where can I find out more information about this?**

There is more information in the documents that were provided to you alongside this booklet. These include:

- The cover letter;
- The legal notice;
- The summary of the scheme document; and
- The summary of the independent expert's report.

Copies of these documents, as well as the full signed independent expert's report, will be available via a dedicated space on the MetLife Europe website at <https://www.metlife.eu/transfer-documents/>. We can also provide you with the full scheme document and full independent expert's report on request. The relevant contact details are set out at 5.4 below.

Please note that our website will be updated to reflect the progress of the transfer, including any changes to relevant dates. Once the transfer is complete this will also be published on the website.

5.3 **What can I do if I have concerns about your proposals or want to object?**

If you have concerns about our proposals or would like to object, please contact us by no later than 31<sup>st</sup> January 2024, using the details set out at 5.4 below. We will keep a careful record of any objections received and provide these as evidence at the relevant Court hearing. You also have the right to attend the relevant Court hearing and to make your objection known to the Court if you wish.

Please let us know if you wish to object in Court. By letting us know we will be able to tell you about any changes that may be made in relation to the Court hearing, for example, a change of date. We may also be able to deal directly with any concerns you have.



#### 5.4 **How can I contact you**

If you would like to ask us some questions, raise concerns or objections, or request additional documents please contact us using the following details:

0800 917 0701 – phone lines are open Monday to Friday (except bank holidays) 9am to 5pm

customerservice@metlife.co.uk

MetLife Europe d.a.c.

Beacon House

27 Clarendon Road

Belfast

BT1 3PR

The MetLife website will be updated to reflect the progress of the transfer, including if there is any changes to the proposed hearing date. The MetLife website can be accessed at <https://www.metlife.eu/transfer-documents/>.