

Brexit Q&A – your questions answered

What has happened?

The United Kingdom left the European Union on 31 January 2020 moving into a transition period where EU rules and regulations continued to apply. The transition period ended on 31 December 2020 and this Brexit Q&A is intended to provide information on how this may impact you as a policyholder.

The answers in this Brexit Q&A are based on our current understanding of the situation and are subject to change. If you have any other questions you should speak to your adviser as they will have the best understanding of your personal financial situation.

We continue to monitor the situation closely and can assure you that our aim is to continue to service our customers as we do now. Our international business will continue to offer the choice of Isle of Man and Ireland jurisdictions to advisers and clients.

FAQs

Information for customers whose policy was bought in the UK, with Canada Life Limited

How does Brexit affect Canada Life policyholders?

Most customers' policies will not be affected by Brexit. If you bought your policy in the UK, still live in the UK and intend to stay in the UK then we are not expecting Brexit to have any impact on your policy.

What happens if I bought my policy in the UK and have since moved abroad?

Will you continue to pay my annuity?

If you bought your policy in the UK and have since permanently relocated to a different country in the EU or the wider European Economic Area (EEA) (which includes Norway, Iceland and Liechtenstein, as well as all countries in the EU), we will continue to meet our contractual obligations to you, including making payments. However, we will not be able to do certain things such as replace, renew, extend or amend your policy in any way and we will only accept the premiums set out in your existing policy. We continue to monitor the situation closely and can assure you that our aim is to continue to service our customers as we do now.

If you are resident in Spain, we are obliged under Spanish law to also let you know that Spanish Insurance Contract Law is the applicable law for your policies. However, UK law, and not the Spanish Supervision and Solvency Law, would govern any winding up in the unlikely event of Canada Life Limited being wound up.

If you are resident in France and Italy, the insurance supervisory authorities in France and Italy have requested that we write to you to explain the position with your policy following the end of the transition period. We will continue to meet our contractual obligations to you, including making payments, and your policy will continue to be governed by the UK regulatory regime. However, we will not be able to do certain things such as replace, renew, extend or amend your policy in any way and we will only accept the premiums set out in your existing policy.

FAQs

Information for customers whose policy was bought in the UK, with Canada Life Limited *Continued*

Is my policy safe and secure?

Canada Life Limited is part of Great-West Lifeco, one of the largest life insurance organisations in the world, with interests in life insurance, health insurance, investments, retirement savings and reinsurance. The ethos of our parent company, and their focus on putting the long-term needs of customers first, prevails throughout our businesses, and is one of the reasons why we have successfully looked after the financial futures of so many clients for so many years. Together with Great-West Lifeco's other subsidiaries, we serve the financial needs of more than 30 million customers and have more than £987 billion in assets under administration (at 30 June 2020).

Canada Life Limited is well-capitalised and benefits from being part of this strong global group, so you can be confident that any policies you hold with Canada Life Limited are secure. In the very unlikely event that we were unable to meet our liabilities, individual policyholders and trustees are protected by the Financial Services Compensation Scheme (FSCS).

What will happen to my annuity income if I am forced to close my UK bank account?

Our commitment is to ensure you receive your income promptly wherever you live. If UK banks are forced to close accounts for non-residents, please contact us with the details of your new bank account and we will amend our records in order to continue to make your payments. Please note that we can only pay into a bank account in your name. We cannot pay to a third-party bank account.

What impact will Brexit have on the value of investments held in my policy?

We cannot provide advice on how Brexit might affect the value of your investments. Investments are generally for the medium to long term and values can fall as well as rise and you should speak to your professional adviser before making any investment decisions.

Will there be any tax consequences of Brexit?

Potential tax consequences are something that you should discuss with your professional adviser who will have the best understanding of your personal financial situation.

Where can I find out more information?

We recommend that you contact your adviser who will have the best understanding of your personal financial situation.

Other useful sources of information include:

- [HM Government](#)
- [Financial Conduct Authority](#)

Information for customers whose policy is held with Canada Life International Limited or CLI Institutional Limited in the Isle of Man

How does Brexit affect Canada Life policyholders?

The Isle of Man is not part of the EU/EEA and therefore we see no change to the trading relationship between the Isle of Man and the UK as a result of Brexit, a view shared by the Isle of Man government. As such we expect business to carry on as normal through Canada Life International Limited and CLI Institutional Limited.

Is my policy safe and secure?

The Isle of Man has a reputation centred on stable government, strong regulatory controls and policyholder protection. Policyholders of Canada Life International Limited and CLI Institutional Limited continue to be protected by the same level of policyholder protection as they always have. This includes the Policyholders' Compensation Fund which, in the event of a company being unable to meet its liabilities, will pay a sum up to 90% of the amount of any liability to the policyholders. You can find out more [here](#) about policyholder protection in the Isle of Man.

Canada Life International Limited and CLI Institutional Limited are part of Great-West Lifeco, one of the largest life insurance organisations in the world, with interests in life insurance, health insurance, investments, retirement savings and reinsurance. The ethos of our parent company, and their focus on putting the long-term needs of customers first, prevails throughout our businesses, and is one of the reasons why we have successfully looked after the financial futures of so many clients for so many years. Together with Great-West Lifeco's other subsidiaries, we serve the financial needs of more than 30 million customers and have more than £987 billion in assets under administration (at 30 June 2020).

All of Canada Life International's businesses achieved a five-star financial strength rating from actuarial consultancy AKG in 2020 for the 18th consecutive year, the only offshore insurer to do so.

What happens if I bought my policy in the UK and have since moved abroad?

Please get in touch with us if you have become resident in a different country. We also recommend that you contact your professional adviser.

What impact will Brexit have on the value of investments held in my policy?

We cannot provide advice on how Brexit might affect the value of your investments. Investments are generally for the medium to long term and values can fall as well as rise and you should speak to your professional adviser before making any investment decisions.

Will there be any tax consequences of Brexit?

Potential tax consequences are something that you should discuss with your professional adviser who will have the best understanding of your personal financial situation.

Where can I find out more information?

We recommend that you contact your adviser who will have the best understanding of your personal financial situation.

Other useful sources of information include:

- [HM Government](#)
- [Financial Conduct Authority](#)

FAQs

Information for customers whose policy is held with Canada Life International Assurance (Ireland) DAC (CLIAI) in Ireland

How does Brexit affect CLIAI policyholders?

Your policy will remain valid and enforceable and the terms and conditions of your policy will remain unchanged. CLIAI will continue to be authorised and regulated by the Central Bank of Ireland, the supervisory authority for Irish insurance companies.

However, UK resident policyholders will no longer be covered by the UK Financial Services Compensation Scheme. Policyholder protection schemes such as the FSCS are only relevant should CLIAI become unable to meet its liabilities and the customer suffers loss as a result. You can be reassured that CLIAI is a well-capitalised company and benefits from being part of a strong financial services group. Its parent, the Great-West Lifeco Group, had over £987bn in consolidated assets under administration as at 30 June 2020, and we are confident that the risk of policyholder loss from being unable to meet our financial commitments is remote.

Will CLIAI continue to be open to new business?

Yes, absolutely, we remain open to new business.

Will Brexit impact the terms and conditions of my policy?

No, your policy remains valid and enforceable and the terms and conditions of your policy will remain unchanged provided you remain resident in the UK. Please get in touch with us if you have become resident, or are planning to become resident, in a different country.

Will Brexit change the service that Canada Life International Assurance (Ireland) DAC provides?

No, there will be no change to the service we provide to you.

Can I continue to make withdrawals from my Canada Life International Assurance (Ireland) DAC policy?

Yes, the terms and conditions of your policy will not change as a result of Brexit.

Is my policy safe and secure?

Your policy is safe and secure, but please note that UK resident policyholders will no longer be covered by the UK Financial Services Compensation Scheme should CLIAI become unable to meet its liabilities. However, choosing a financial provider is about having the confidence your money will be safe and secure for years to come, regardless of economic conditions.

CLIAI is part of Great-West Lifeco, one of the largest life insurance organisations in the world, with interests in life insurance, health insurance, investments, retirement savings and reinsurance. The ethos of our parent company, and their focus on putting the long-term needs of customers first, prevails throughout our businesses, and is one of the reasons why we have successfully looked after the financial futures of so many clients for so many years.

Together with Great-West Lifeco's other subsidiaries, we serve the financial needs of more than 30 million customers and have more than £987 billion in assets under administration (at 30 June 2020). CLIAI is well-capitalised and benefits from being part of this strong global group, so you can be confident that the risk of CLIAI being unable to meet its financial commitments is remote.

All of Canada Life International's businesses achieved a five-star financial strength rating from actuarial consultancy AKG in 2020 for the 18th consecutive year, the only offshore insurer to do so.

FAQs

Information for customers whose policy is held with Canada Life International Assurance (Ireland) DAC (CLIAI) in Ireland *Continued*

Is there any change to the taxation of a CLIAI DAC policy?

No. There is no change to the taxation of the policy or the VAT exemption in relation to any Discretionary Fund Management Services as a result of Brexit.

What happens if I bought my policy in the UK and have since moved abroad?

Please get in touch with us if you have become resident in a different country. We also recommend that you contact your professional adviser.

What impact will Brexit have on the value of investments held in my policy?

We cannot provide advice on how Brexit might affect the value of your investments. Investments are generally for the medium to long term and values can fall as well as rise and you should speak to your professional adviser before making any investment decisions.

What insurance policyholder protection is in place in Ireland?

Although there is no formal insurance policyholder compensation scheme in Ireland there is a robust regulatory framework in place to protect CLIAI's customers:

- CLIAI is authorised and regulated by the Central Bank of Ireland (CBI), the supervisory authority for Irish insurance companies.
- CLIAI only writes unit linked business, which means when a policyholder pays a premium, this immediately creates a matching liability. CLIAI is required to hold reserves separately from all other assets of the company to cover liabilities to policyholders.
- Irish law and regulation that governs the winding up of life companies means that policyholders' liabilities must be paid ahead of any other claims of the life assurance company other than the cost of winding up the company.
- As an Irish regulated life assurance company, CLIAI is required to segregate policyholder assets from those of shareholders so they cannot be used to support its financial position.
- The types of assets CLIAI can hold are restricted in order to limit exposure to riskier or more volatile assets.
- EU legislation requires CLIAI to hold a solvency capital requirement (SCR) calculated using a risk-based approach. CLIAI must hold assets at least equal to the value of the SCR.
- CLIAI is required to make annual solvency submissions to the CBI and is subject to regular internal and external audit and inspection.
- The CBI has powers of intervention if they are concerned about the solvency of a life assurance company.
- CLIAI is regularly reviewed by the CBI to ensure it meets the legal and regulatory requirements in Ireland.

Will there be any tax consequences of Brexit?

Potential tax consequences are something that you should discuss with your professional adviser who will have the best understanding of your personal financial situation.

Where can I find out more information?

We recommend that you contact your adviser who will have the best understanding of your personal financial situation.

Other useful sources of information include:

- [HM Government](#)
- [Financial Conduct Authority](#)

Canada Life Group Protection policies: Information for employers and advisers

Following the end of the Brexit transition period on 31 December 2020, the support we can offer to customers based in the EU may need to change. We've set out some scenarios below to help clarify our position and highlight the policies that may be affected.

EU based company with a UK branch

We can continue to cover UK branches of an EU-based parent company, provided the UK branch is the policyholder and registered on Companies House. Employees covered under the policy must have a contract of employment with the UK branch.

Employees of a UK-based employer who are seconded or located in the EU

Any employees seconded or located in the EU can still be covered, provided the UK-based employer is the policyholder and the employee has a contract of employment with the UK-based employer.

EU-based employers with a UK-based trustee

For any policy established under a trust, the trustee is considered to be the policyholder. Therefore, as long as the trustee is a UK-based entity, EU-based employers and employees can continue to be covered under the policy provided the trust allows for their inclusion.

If a discretionary trust is established by a non-UK based employer (i.e. the trustee is an EU-based employer), we are unlikely to be able to provide cover. We'll continue to monitor this situation closely.

EU-based principal employer with employees in the UK or EU (policy not established under a UK trust)

We will not be able to assume risk for any new policies on this basis. Cover under any existing policies should not continue beyond the renewal date. Please contact your account manager if you have any questions.

EU-based associated employer with employees in the UK or EU (policy not established under a UK trust)

We will treat EU-based associated employers in the same way as EU-based principal employers as above.

Channel Islands and Isle of Man policies

These policies are unaffected and we can continue to cover companies based in the Channel Islands and Isle of Man.

How to contact us

If you have any questions or know of any policies affected by these changes, please get in touch with your account manager or call us on **0345 223 8000**.



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Canada Life Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

Canada Life International Limited and CLI Institutional Limited are Isle of Man registered companies authorised and regulated by the Isle of Man Financial Services Authority.
Canada Life International Assurance (Ireland) DAC is authorised and regulated by the Central Bank of Ireland.

Stonehaven UK Limited and Canada Life Platform Limited, trading as Canada Life, are part of The Canada Life Group (UK) Limited. Stonehaven UK Ltd is authorised and regulated by the Financial Conduct Authority. Canada Life Platform Limited is authorised and regulated by the Financial Conduct Authority.

Canada Life Asset Management is the brand for investment management activities undertaken by Canada Life Asset Management Limited, Canada Life Limited and Canada Life European Real Estate Limited. Canada Life Asset Management Limited is authorised and regulated by the Financial Conduct Authority.