

# Policyholder Protection Overview

## Canada Life International Assurance (Ireland) DAC (CLIAI)

February 2024



This summary provides an outline of what insurance policyholder protection is in place in Ireland and is intended to provide the certainty you need to help your clients make financial decisions with confidence.



### Stringent regulatory controls apply in Ireland to protect policyholders.

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

- **Regulation** – CLIAI is authorised and regulated by the Central Bank of Ireland (CBI), the supervisory authority for Irish insurance companies.
- **Separation** – 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.
- **Priority** – 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.
- **Segregation** – 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.
- **Restriction** – The types of assets CLIAI can hold are restricted in order to limit exposure to riskier or more volatile assets.
- **Solvency** – 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.
- **Submissions** – CLIAI is required to make annual solvency submissions to the CBI and is subject to regular internal and external audit and inspection.
- **Intervention** – The CBI has powers of intervention if they are concerned about the solvency of a life assurance company.
- **Review** – CLIAI is subject to regular internal and external audit reviews and inspection by the CBI. The reviews by the CBI ensure that CLIAI meets all relevant Irish legislation and regulations.

**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 has a comprehensive and actively managed Risk Management Framework in place to monitor and control risks to which the Company is exposed.
- In the highly unlikely event that a liquidator was appointed to the Company, policies would continue to be invested as instructed by policyholders or their nominated adviser. Policies would continue irrespective of the underlying investment and the appointed liquidator would have a duty to service the existing policyholder business. The unit-linked value of policyholder assets would be unaffected by the appointment.
- CLIAI is committed to the UK market which has been and remains our core offshore market.
- We continue to offer our customers and advisers choice of jurisdiction, Ireland or Isle of Man.
- With over 35 years of unrivalled strength, the combined Canada Life International businesses have £22bn assets under administration (as at 31 December 2023).
- CLIAI has achieved a rating of B+ 'very strong' from AKG Actuaries & Consultants Ltd in August 2023.
- Canada Life UK is investing heavily in its systems and digital offering, demonstrating its belief in and long term commitment to the UK market, as well as continuing to meet the long term needs of its customers.

### Heritage

Canada Life has been operating in the UK since 1903.

### GREAT-WEST LIFECO

**£1.539<sup>tn</sup>**

Assets under Administration

### Financial Strength

**5-STAR**

AKG Rating

**+ 120 year international heritage**

– 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.

**+ Offering world-class financial and capital strength –**

Great-West Lifeco and its subsidiaries serve the financial needs of more than 38 million customers and have more than £1.539 trillion in assets under administration (as at 31 March 2023).

**+ Strong independent ratings –**

All of Canada Life International's businesses achieved a five-star financial strength rating from actuarial consultancy AKG in 2023 for the 21st consecutive year, the only offshore insurer to do so.

**NOTE: This document is based on the Company's understanding of applicable legislation, law and regulation as at February 2024. It is provided solely for general consideration.**