



# BREXIT FREQUENTLY ASKED QUESTIONS FOR ADVISERS

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## HOW DOES UTMOST PROPOSE TO CONDUCT BUSINESS IN THE UK POST BREXIT?

Utmost PanEurope dac and Utmost Ireland dac, collectively "Utmost", have opted for the Overseas Persons Exemption (under Art. 72 of the Regulated Activities Order) as their operating model in the event of a no-deal Brexit. This operating model was chosen after carefully considering all possible options available, including the Temporary Permission Regime (TPR) and Contractual Run Off (CRO) made available under the Financial Services Contract Regime (FSCR).

## WHY DID UTMOST CHOOSE THIS OPTION?

We want an operating model that allows us to continue to support existing policyholders whilst still being able to sell into the UK. This operating model allows us to achieve those aims.

The two alternative options were discounted on the following grounds:

- › Temporary Permission Regime
  - The TPR would not be suitable for Utmost because we would lose our offshore status and the policyholder would lose the benefit of gross roll up.
- › Contractual Run Off
  - CRO would not be suitable as our policies are whole of life policies. CRO is only available for 15 years (with the possibility of a 5-year extension) and thereafter it was unclear how we could service our policyholder's commitments.

We have obtained legal advice and discussed our preferred operating model with representatives from both the Central Bank of Ireland and the UK Financial Conduct Authority. To date no issues have been raised during these discussions.

## WHAT DOES THIS MEAN FOR ME AS AN ADVISER?

As an adviser you will see no change in the service provided and our sales staff will be able to continue to work with you as normal. In addition, there will be no change to existing remuneration models in place between you and Utmost.

## WHAT DOES THIS MEAN FOR OUR CLIENTS?

There will be no change to the services we provide to your clients if Brexit does take place. The terms and conditions of their policy will not be impacted and the benefits which their policy provides, including how those benefits are taxed, will not change.

The Utmost companies will continue to be regulated by the Central Bank of Ireland and must adhere to strict European wide solvency requirements which are designed to ensure that the policyholder is protected in the event that an Utmost company becomes insolvent.

## HOW ARE OUR CLIENTS' POLICIES AND UNDERLYING INVESTMENTS PROTECTED?

Policyholders benefit from segregation of assets. All of the assets attributable to the life insurance business of an Irish authorised life insurer are entered into a segregated life insurance fund. The assets of the life assurance fund can only be used for the purpose of life assurance business and cannot be made available for other activities of the life assurance undertaking.

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We would also like to remind our partners of the following key points:

- › Utmost is part of the Utmost Group of Companies.
- › Utmost is regulated by the Central Bank of Ireland and adheres to the same strict European-wide solvency requirements that also currently apply to UK insurers.
- › The Utmost Group comprises of well-established books of business and since merging, brings a wealth of experience and strength to our policyholders.

## WHAT FINANCIAL STRENGTH RATING DOES UTMOST HAVE?

Utmost PanEurope dac and Utmost Ireland dac both have an AKG rating of B+. A copy of the latest AKG report can be provided on request.

## WILL MY CLIENT POLICIES BE COVERED BY THE UK'S FINANCIAL SERVICES COMPENSATION SCHEME AFTER BREXIT?

Based on our current understanding, if there is a no-deal Brexit then existing policyholders will lose the benefit of the UK Financial Services Compensation Scheme (FSCS). This is because Utmost will no longer be able to passport into the UK under EU law (Freedom of Services regime) and therefore will no longer be covered by the UK FSCS. Please remember that the FSCS protection is limited and will only apply in the event that an insurer becomes insolvent, which is unlikely for the Utmost companies.

## WHAT DID THE UK'S FINANCIAL COMPENSATION SCHEME COVER?

The UK Financial Services Compensation Scheme would only become effective in the event that one of the Utmost companies became insolvent. For further details on the benefits of FSCS coverage please refer to [www.fscs.org.uk](http://www.fscs.org.uk)

## IS THERE ANY CHANGE TO THE TAXATION OF MY CLIENT'S BOND?

No. Your client will continue to avail of gross roll up benefits within the policy and the VAT exemption in relation to Investment Management charges.

## A WEALTH *of* DIFFERENCE

Utmost Wealth Solutions is a brand name used by a number of Utmost companies. This item has been issued by Utmost PanEurope dac.

The following companies are registered in the Isle of Man: Utmost Limited (No 056473C), Utmost Administration Limited (No 109218C) and Utmost Trustee Solutions Limited (No 106739C) are regulated or licensed by the Isle of Man Financial Services Authority. Not regulated: Utmost Services Limited (No 059248C). Each has its registered office at: Royalty House, Walpole Avenue, Douglas, Isle of Man, IM1 2SL, British Isles.

The following companies are registered in Ireland, authorised by the Central Bank of Ireland and regulated by the Financial Conduct Authority in the UK for Conduct of Business Rules: Utmost Ireland dac (No 303257), registered office: Ashford House, 18-23 Tara Street, Dublin 2, D02 VX67, Ireland. Utmost PanEurope dac (No 311420), registered office: Navan Business Park, Athlumney, Navan, Co. Meath C15 CCW8, Ireland.

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## IS THERE ANY CHANGE TO THE TERMS AND CONDITIONS OF MY CLIENT'S BOND?

We will not be endorsing existing policy terms and conditions, but please be advised that the FSCS protection will no longer be available to your existing clients in the event of a no-deal Brexit.

## CAN MY CLIENTS CONTINUE TO MAKE WITHDRAWALS FROM THEIR POLICY?

Yes.

## WILL UTMOST CONTINUE TO BE OPEN TO NEW BUSINESS?

Yes.

## WILL THERE BE ANY CHANGE TO HOW NEW BUSINESS IS ADMINISTERED?

No.


## WHAT IS THE POSITION WITH UTMOST LIMITED IN THE ISLE OF MAN?

The Isle of Man has signed an agreement with the UK that preserves free trade between the UK and the British Crown Dependencies and thus the position in respect of existing and new Utmost Limited policies will remain unaltered, regardless of the Brexit outcome.

## WHAT TYPE OF BUSINESS DO EACH OF THE UTMOST COMPANIES CONSIST OF AT PRESENT?

All of the Utmost companies sell unit linked life assurance policies. In addition, Utmost PanEurope sell Employee Benefit products under our Corporate Solutions brand.

For more information about Utmost, please refer to our websites:

 Utmost PanEurope  
[www.utmost.ie](http://www.utmost.ie)

Utmost Ireland  
[www.utmostwealth.ie](http://www.utmostwealth.ie)