

ANNUAL REVIEW

## **REPORT TO WITH PROFITS POLICYHOLDERS**

MANAGEMENT OF WITH PROFITS POLICIES ACCORDING TO  
THE PRINCIPLES AND PRACTICES OF FINANCIAL MANAGEMENT

Countrywide Assured With Profits in the Guardian Assurance With Profits Fund (GAWPF)  
Period of review: 1 January to 31 December 2023

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## INTRODUCTION

Each year we review our management of the With Profits policies to make sure we're following the guidelines and practices as outlined in the document '[Principles and Practices of Financial Management](#)' (PPFM). These policies are managed by us, here at Countrywide Assured, although responsibilities are split between us and ReAssure Limited, referred to as 'ReAssure' in this report.

The With Profits business of Countrywide Assured was issued through an arrangement with Guardian Assurance, now known as ReAssure, which is part of the Phoenix Group. These policies are managed as part of a larger fund for Guardian's policyholders, the Guardian Assurance With Profits Fund (GAWPF), which continues to be managed by ReAssure. ReAssure has responsibility for making decisions about bonus rates, investment policy and surrender values, including 'Market Level Adjustments' for policies such as Privilege II.

For our part, here at Countrywide Assured, we are responsible for policy administration. This includes the day-to-day running of the policies, setting certain charges and for providing all your policy benefits. Our responsibility also covers the right to pay more to our policyholders if we believe customers are not being treated fairly or should ReAssure get into financial difficulty.

For details of ReAssure's review of the GAWPF PPFM, see the Guardian Assurance With-Profit fund Annual Board Report available on their [website](#).

Managing With Profits policies involves expert analysis, evaluation and judgement and the PPFM describes in detail how Countrywide Assured manages its With Profits business. Our regulator requires us to report to our policyholders every year on how we follow the Principles and Practices of Financial Management, including the results of our review. The report also includes details of any action we take to improve or correct the results if identified as part of the review.

## WHO IS THIS REPORT FOR?

Customers who have one or more of the following Countrywide Assured policies:

### Countrywide Assured

Policy type

- Asset
- Asset Budget, Asset Budget 4 and Treasury
- Privilege
- Privilege II

### Guardian Assurance With Profits Funds

Equivalent Policy

- Life Assurance
- Endowment
- Versatile Individual Pension Plan
- Choices Unitised With Profits.

Please bear in mind these policies may be labelled differently in the documents about the GAWPF fund produced by ReAssure. Separate reports relating to our other With Profits business are [available](#).

## ANNUAL REVIEW SUMMARY

Which fund(s) does this report cover?		Countrywide Assured With-Profits business in the Guardian Assurance With Profits Fund (GAWPF)	
Does this year's annual review comply with the Principles and Practices of Financial Management?		Yes ✓	No
<b>Summary of results</b>	<ul style="list-style-type: none"> <li>➤ The Board of Countrywide Assured is satisfied that ReAssure has operated the fund in line with the PPFM to the extent that this affects Countrywide Assured With Profits business.</li> <li>➤ It is the Board's opinion that appropriate governance arrangements are in place to ensure that the conduct of the With Profits business complies with the PPFM. ReAssure has a With Profits Committee which monitors compliance with the PPFM. Countrywide Assured's With Profits Committee and With Profits Actuary review responses to queries raised with ReAssure's With Profits Actuary to check compliance with the PPFM.</li> <li>➤ It is also the Board's opinion that ReAssure exercised appropriate discretion over the period and any issues involving competing or conflicting rights, interests and expectations of policyholders, were resolved fairly.</li> <li>➤ ReAssure's With Profits Actuary has confirmed that no special actions were required for the fund during 2023.</li> <li>➤ The Board's opinions have taken into account the advice of the With Profits Actuary and the views of the With Profits Committee. The With Profits Actuary's report to policyholders is included as Appendix A. In producing this report, the With Profits Actuary liaised with the With Profits Actuary from ReAssure.</li> </ul>		
<b>KEY CONCLUSION</b>	<ul style="list-style-type: none"> <li>➤ There was no need for Countrywide Assured to adjust the payments determined by ReAssure when paying policy proceeds to policyholders. This conclusion is to be expected under normal circumstances.</li> </ul>		

SECTION OF PPFM	SUMMARY OF CONCLUSIONS OF BOARD'S REVIEW	
3.2	I. The amounts payable under a With Profits policy have been managed in line with the PPFM. ReAssure's With Profits Actuary confirmed that Countrywide Assured's policies were treated in the same way as other business within the fund when setting discretionary benefits.	✓
3.7	II. No material changes have been made to the investment policy over 2023 and it conformed with the practices described in the PPFM.	✓

SECTION OF PPFM	SUMMARY OF CONCLUSIONS OF BOARD'S REVIEW	
3.9	III. Charges, expenses and tax deductions have been applied to the fund in line with the principles and practices set out in the PPFM.	✓
3.10	IV. Policies that are entitled to share in the distribution of the estate received an additional return of 2.5% during 2023 based on the value of the policy as at 31 December 2022.	✓
3.12	V. The balance of interests between policyholders and shareholders was judged to have been given appropriate consideration. It was noted there has been no change in the proportion of profits received by shareholders.	✓
4.4 – 4.5	VI. Pay-outs on policies at both maturity and surrender were generally within the target ranges set out in the PPFM. No market level adjustments were applied during 2023.	✓

## REPORT APPROVAL

The Board of Countrywide Assured has reviewed the way in which our With Profits business was managed in the financial year from 1 January 2023 to 31 December 2023 and in their opinion the PPFM has been complied with in full.

**REPORT APPROVED BY:** The Board of Countrywide Assured

**SIGNED BY:** CEO Countrywide Assured, Jackie Ronson, on behalf of the Board.

## MONITORING OUR PRACTICES

### Q HOW DOES THIS REVIEW HELP ME?

A A successful company takes care of its customers. For us at Countrywide Assured, this means looking after your money responsibly and effectively over the long term. This review helps us demonstrate that we are meeting our obligations to both our customers and our regulators.

### Q WHY IS THIS PROCESS IMPORTANT?

A Managing our With Profits policies requires expert analysis, evaluation and judgement, and because they are long-term policies, it's important for us to show you, our customers, and our regulators that we take our responsibilities very seriously.

### Q HOW ARE YOUR PRACTICES MONITORED?

A We provide ReAssure's With Profits Actuary with a number of questions relating to the operation of the fund over the period, the responses to which are reviewed by our With Profits Committee and With Profits Actuary. Our With Profits Committee has the responsibility of ensuring our practices are doing the job they are designed to do and meet the standards set by our regulator. It operates independently from the main Board of Directors, undertaking regular assessments and resolving any competing or conflicting interests of policyholders and shareholders.

### Q HOW OFTEN DO YOU REVIEW YOUR PRACTICES?

A The With Profits Committee meets four times a year and each meeting is attended by an independent With Profits Actuary. Any issues or concerns that may arise in the day-to-day management of the policies, are reported to the committee. It undertakes a formal review of our practices once a year. Last year, the With Profits Actuary was Karen Miller, an employee of Willis Towers Watson. The committee produces this annual report for policyholders, which includes a report by the appointed With Profits Actuary, see Appendix A.

The committee can make an additional statement or report to With Profits policyholders at any time, should the members consider this necessary.

### Q HOW DO YOU DECIDE YOUR PRACTICES ARE COMPLIANT?

A The With Profits Committee regularly assesses our practices and procedures. Each year the appointed With Profits Actuary reports on whether or not our management and practices meet the strict criteria set out in the 'Principles and Practices of Financial Management'. The report also includes information about the committee's assessment methods.

### Q WHAT HAPPENS IF YOUR PRACTICES ARE NON-COMPLIANT?

A Should the committee's assessment differ from those expected or fall short in some way, the With Profits Actuary will include explanations and recommendations on how to address them in their report.

### Q WHO IS RESPONSIBLE FOR MANAGING MY WITH PROFITS POLICY?

A These policies are managed by us, here at Countrywide Assured, although responsibilities are split between us and ReAssure.

### Q WHERE CAN I FIND OUT MORE ABOUT MY POLICY?

A Our [website](#) has details about our With Profits policies, including a new [With Profits Centre](#). If you can't find the information you're looking for, [email or call us](#) quoting your policy number.

### Q WHO ARE REASSURE?

A ReAssure Life Limited was previously known as 'Guardian' before the company renamed itself in 2016. On 31 December 2016, the policies of Reassure Life Limited were transferred to ReAssure a wholly owned subsidiary of Swiss Re Life Capital Limited. In July 2020, Phoenix Group acquired ReAssure from Swiss Re. The With Profits business of Countrywide Assured is held within the 'Guardian Assurance With Profits Fund (GAWPF) and is kept separate from other ReAssure funds.

## Appendix A

### Report on Countrywide Assured with-profits fund from the With-Profits Actuary

This report covers the with-profits business of Countrywide Assured plc (Countrywide Assured) which is wholly reassured to ReAssure Limited (“ReAssure”). Separate reports cover Countrywide Assured’s with-profits business that was originally written by Save & Prosper Pensions Ltd and Save & Prosper Insurance Ltd.

The Financial Reporting Council (“FRC”) sets technical standards for the members of the UK Actuarial Profession. This report is subject to and complies with the following standards:

- Technical Actuarial Standard 100: General Actuarial Standards
- Technical Actuarial Standard 200: Insurance

The actuary appointed by Countrywide Assured to perform the with-profits actuary function is required, among other things:

- to advise management on key aspects of the discretion to be exercised affecting its with-profits policyholders; and
- in respect of each financial year, to make a written report addressed to the with-profits policyholders to accompany the report from the company to its with-profit policyholders.

I have reviewed the arrangement of the with-profits business for the period 1 January 2023 to 31 December 2023 inclusive. As the with-profits business originally written by Countrywide Assured is wholly reassured to ReAssure most discretion is exercised by ReAssure. However, Countrywide Assured retains the ability, which it has not exercised over 2023, to pay its policyholders benefits which differ from those available to it under the reinsurance agreement with ReAssure. This ability to pay different benefits would be utilised only if required to treat customers fairly in accordance with the FCA and PRA Handbooks.

In carrying out my review, I have relied on information supplied by both Countrywide Assured and ReAssure. I have not independently verified the information supplied to me.

Based on this information, in my opinion, the exercise of with-profits discretion over the period 1 January 2023 to 31 December 2023 has been reasonable and proportionate, striking a balance between the interests of the shareholders of both Countrywide and ReAssure and different groups of policyholders. I am not aware of any material events or changes which have occurred since the date I received the information on which this report is based.



**Karen Miller BSc FIA  
With-Profits Actuary  
May 2024**

## DEFINITION OF KEY TERMS

### Actuary

References to the Actuary in this report relate to the person appointed by Countrywide Assured to the role of With Profits Actuary. This role involves advising management on key aspects of exercising discretion in areas affecting With Profits policyholders. The With Profits Actuary also produces a report each financial year for With Profits policyholders – see Appendix A.

### Asset shares

Asset shares are used in the financial management of With Profits policies and reflect the underlying value of a With Profits investment. Calculations take into account the premiums paid, less the expenses, charges and contributions towards the expected cost of guarantees where relevant. This means the calculation of asset shares influences the amount payable under some types of With Profits policies. Different types of policies operate differently. For more details, see the [PPFM](#).

### With Profits Practices

The practices are derived from the With Profits Principles and provide more detailed guidance on managing With Profits business, including ways to respond to and manage short-term changes in the business and economic environment. The practices may change from time to time in the process of following the With Profits Principles.

### With Profits Principles

The comprehensive standards that form the foundation of our management of With Profits business. The principles are designed to ensure a company meets its responsibilities to policyholders, and, is able to respond to longer-term changes in the business and economic environment.