



Countrywide Assured

# Due Diligence Information for Advisers

November 2024

The information provided in this document is for informational purposes only and does not constitute an offer or solicitation to buy or sell any securities or financial instruments. **The value of investments can go down as well as up, and investors may not get back the amount they have invested. Past performance is not indicative of future performance.** Investors should seek independent financial advice before making any investment decisions.



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## Introduction

Countrywide Assured plc (CA) is one of Chesnara's subsidiaries, a life assurance and pensions consolidator with operations in the UK, Sweden and The Netherlands.

Countrywide Assured demerged from Countrywide plc, a large estate agency group in 1988. Since incorporation, acquisitions of UK businesses have been absorbed into Countrywide Assured. For example, businesses purchased from City of Westminster Assurance, Save & Prosper, Direct Line Life.

The UK company underwrites linked pension business; life insurance, covering both index-linked and unit-linked; endowments; whole of life; annuities and some with-profit business.

Countrywide Assured looks after c278,000 policies and £4.5bn of assets under management.

“Our customers are at the forefront of all we do. Our focus is on three things: efficiently managing policies, creating value through acquisitions and writing new business that adds value and supports longer-term cash generation.”

**Luke Savage, Chairman, Chesnara**



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“We have c1 million customers across Chesnara and our people take pride in the responsibility that comes with delivering for them every single day.”

**Steve Murray, CEO Chesnara plc**



# 1. About Countrywide Assured plc

## Company details:

|   |   |
|---|---|
| Contracting legal entity/<br>trading name | Countrywide Assured plc   |
| Company registration                      | Registered in England No. 2261746   |
| Company regulation                        | Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. |
| Year founded                              | Established in 1988 and Chesnara plc has been our holding company since 29 May 2004.  |
| Head office                               | 2nd Floor, Building 4, West Strand, West Strand Road, Preston, Lancashire, England PR1 8UY  |
| Website                                   | <a href="http://www.countrywideassured.co.uk">www.countrywideassured.co.uk</a>  |
| Assets under management                   | £4.5bn  |
| Number of policyholders                   | C278,000  |

## Our Senior Team in the UK

**Jackie Ronson**  
Chief Executive Officer

**Clare Birks**  
Chief Operating Officer

**Andrew Richards**  
Chief Financial Officer

**Gabrielle Towell**  
Head of Compliance

**Rob Goodwin**  
Chief Actuary

**Steve Turland**  
Chief Risk Officer

**Jenny Wood**  
Head of Capital Management and New Business Strategy

**Colin Clarkson**  
Head of Internal Audit

**Julie Smith**  
Interim HR Director

“Our customers are key to the long-term success of the group, both in terms of retaining existing customers and attracting new ones to our open books of business. Without our customers, we would cease to exist.”

**Jackie Ronson, UK CEO**

## 2. Our business model

The primary focus of the business is the efficient and effective management of policies and customers' interests, with the strategic objective of maximising value from the business.

Countrywide Assured achieve this strategic aim by outsourcing their UK services to professional specialists, which is closely monitored by a central UK based governance team.

This model also supports the company's overriding philosophy of 'putting the customer first' and delivering a first-class customer service. Adopting this perspective not only seeks to ensure a rewarding financial future for their customers but also aims to support delivery of a service that meets their needs.

In 2022, Chesnara plc completed the acquisition of Sanlam Life & Pensions UK Limited, subsequently renamed to CASLP Limited (SLP), a specialist provider of insurance and long-term savings products in the UK. The Part VII insurance business transfer of CASLP into Countrywide Assured plc was completed on 31 December 2023 and Countrywide Assured continues to write their new onshore bond policies through third party platforms.



Countrywide Assured

### Our history

Established in 1988, Countrywide Assured plc is a successful life company. Chesnara plc has been our holding company since 29 May 2004 when we separated from the Countrywide Assured Group.

Chesnara has bought a number of businesses over the years and manages most of the policies under the Countrywide Assured brand. The following diagram shows the history of purchases since 2004.



Chesnara

2004 May

Chesnara plc becomes our holding company

2005 June

Chesnara purchase City of Westminster Assurance Ltd (CWA)

Including protection, endowment and savings policies, single bonds, pension plans and permanent health insurance

2010 December

Chesnara purchase Save & Prosper (both Insurance and Pensions)

Transfer of 'Save & Prosper' to Countrywide Assured 31 Dec 2011

2013 November

Chesnara purchase Direct Line Life Insurance Company Limited

Transfer of Direct Line Life Insurance Company Limited to Countrywide Assured 31 Dec 2014

2022 May

Chesnara purchase Sanlam Life & Pensions

Transfer of Sanlam Life & Pensions' to Countrywide Assured 31 Dec 2023

2023 May

Chesnara purchase the onshore individual protection business of Canada Life



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## 3. Our business fundamentals

Our long established and proven culture and values underpin the delivery of our core strategic objectives, which are:

- 1 Maximise value from existing business.
- 2 Acquire life and pensions business.
- 3 Enhance value through profitable new business.

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Our values are strongly influenced by the recognition of our responsibility to a range of key stakeholders including customers, distributors, regulators, wider society and the group's investors.

### **Fair treatment of customers:**

This is our primary responsibility. We place a high priority on delivering good customer outcomes by providing high standards of customer service. The standards include clear communication and competitive fund performance.

Customers can also be confident in the security of their policies through the robust solvency levels we operate and we believe that their money is with a company that has a secure and solid foundation and future.

### **Maintain adequate financial resources**

We believe financial stability is at the heart of good business conduct, which is why effective capital management is a key factor underpinning our cultural objectives.

### **Robust regulatory compliance**

The regulators' desire for robust and responsible governance is very much part of our culture. They are fundamental to the delivery of our objectives. We work constructively with our regulator and comply with the regulatory requirements and guidance.

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### **Governance principles**

These principles provide a framework to manage our business responsibly. Our structures and processes are designed to ensure our accountability, transparency, compliance with the law, stability, investment and responsiveness to all our stakeholders.

### **Responsible Risk-based Management**

Risk management is at the heart of our robust Governance Framework. We assess every decision according to its potential impact, made possible by understanding the key risk drivers of the business plan and strategy, as well as making sure we monitor these risks across our whole range of stakeholders.

### **A just transition to a sustainable group:**

Sustainability is at the heart of our decision-making and the key basis of our strategy, operations and investments.

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## 4. The Countrywide Assured Onshore Bond

Structuring a tax-efficient income stream from a range of tax wrappers is becoming increasingly important to help people meet their financial goals throughout life.

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Our Onshore Bond increases investors' options for investing in products with tax-efficient wrappers without limiting choice.

The bond is only available through a regulated financial adviser, and thanks to its open architecture, advisers can replicate their centralised investment proposition across all wrappers on a range of adviser platforms.

The results are greater consistency and a straightforward way to manage different risk profiles.

### Aims of the Onshore Bond

- Grow investments over the medium to long term (at least five years and ideally longer) through a life assurance policy that offers the potential to defer higher and additional rate tax on income and growth
- Provide a tax-efficient income stream, if needed.
- Provide access to a wide range of investments, which comprise the underlying assets.

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### Potential benefits of using a bond

1. Bonds aren't considered income-producing assets, removing the need for individuals or trustees to complete self-assessment tax returns.
2. Fund switches can take place without the need for tax reporting and without giving rise to capital gains tax (CGT).
3. 5% of the original capital can be withdrawn from the bond without an immediate tax liability for 20 years cumulatively.
4. Top-slicing relief can be used when chargeable gains cross the threshold into higher rate tax.
5. Bonds can be placed in trust and taken out of a trust without rise to an income tax charge or CGT.

For more information and literature, including statements for suitability letters, terms and conditions and Key Information Documents, please visit [countrywideassured.co.uk/former-caslp-clients/products/onshore-bond/](https://countrywideassured.co.uk/former-caslp-clients/products/onshore-bond/)

## 5. Financials



### 5.1 Financial strength - Group level highlights half year 2024

Our parent company, Chesnara plc, is financially strong, as shown by the year half year 2024 results. The company has seen an increase of 3% in the interim dividend for the 20th consecutive year.

The group's solvency has reduced slightly since the start of the year remaining well above our normal operating range of 140-160%. The solvency position continues to provide substantial headroom for future acquisitions, while all operating divisions remain well in excess of risk appetite levels. can replicate their centralised investment proposition across all wrappers on a range of adviser platforms.

GROUP SOLVENCY<sup>†</sup>

201%

FUNDS UNDER MANAGEMENT

201%

DIVIDEND GROWTH

3%

IFRS PROFIT BEFORE TAX<sup>‡</sup>

£13.4M

Six months ended 30 June 2023: £15.3M\*

M&A DELIVERY

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Acquisitions in 2023

FITCH RATING

A

Financial strength rating

For more information about the group's Financial Performance, please see the [Half Year Report for the six months ended 30 June 2024](#), [Annual Report & Accounts 2023](#), and online at [chesnara.co.uk/investor-relations/reports-and-presentations/2023](https://chesnara.co.uk/investor-relations/reports-and-presentations/2023)

<sup>†</sup> Solvency is a fundamental financial measure which is of paramount importance to investors and policyholders. It represents the relationship between the value of the business as measured on a Solvency II basis and the capital the business is required to hold – the Solvency Capital Requirement (SCR). It is shown here as a ratio of the value against the capital. Solvency gives policyholders (and distributors) comfort regarding the security of their provider.

\* 2023 IFRS comparatives have been restated from those previously reported.

<sup>‡</sup> The underwriting performance of the business is measured by applying the International Financial Reporting Standards (IFRS) framework, and this is the first year that the measurement principles of the new accounting standard "IFRS 17 Insurance Contracts" have been applied.



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## 5. Financials

### 5.2 Financial strength - Countrywide Assured



Countrywide Assured

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SOLVENCY PRE DIVIDEND TO GROUP<sup>†</sup>

171%

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FUNDS UNDER MANAGEMENT

£4.5bn

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IFRS PROFIT BEFORE TAX<sup>‡</sup>

£24.7M

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For more information about the solvency position of Countrywide Assured plc, please see our [Solvency and Financial Condition Report 31 December 2023](#).

<sup>†</sup> Solvency is a fundamental financial measure which is of paramount importance to investors and policyholders. It represents the relationship between the value of the business as measured on a Solvency II basis and the capital the business is required to hold – the Solvency Capital Requirement (SCR). It is shown here as a ratio of the value against the capital. Solvency gives policyholders (and distributors) comfort regarding the security of their provider. The solvency figure shown above for Countrywide Assured is after the foreseeable dividend payable to Chesnara group.

<sup>‡</sup> The underwriting performance of the business is measured by applying the International Financial Reporting Standards (IFRS) framework, and this is the first year that the measurement principles of the new accounting standard “IFRS 17 Insurance Contracts” have been applied.

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## 6. Corporate governance - Group

### Board effectiveness and performance evaluation

As part of the annual performance, an internal effectiveness evaluation of the board and each of its committees was undertaken in the latter part of 2023. A formal performance evaluation of the Chair was also undertaken.

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The evaluation covered wide-ranging matters, including how well the board operates, the process of decision making, the balance between the focus on risk, good customer outcomes and running the business, the culture and dynamics of the board ensuring its composition and that of its committees are aligned.

The outcome of the reviews indicated that the board and its committees continue to be effective. The evaluation of directors' performance concluded that each of the directors demonstrates commitment to their role and dedicates sufficient time to discharge their responsibilities to the company effectively.

### Customer/supplier engagement

The board remains vigilant to ensure the importance of customer – and supplier – engagement remains high on the group's agendas.

### Professional development

It is important to the board that non-executive directors are provided with training and development both within the business and at a group level. The board believes that ongoing training is essential to maintaining an effective and knowledgeable board.

The Company Secretary supports the Chair in ensuring that all new directors receive a tailored and comprehensive induction programme on joining the board.

Continuing education and development opportunities are made available to all board members throughout the year, with development initiatives including one-to-one sessions with key members of the senior management team and training sessions given by subject matter experts from within the business as well as by external providers.

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### Information

The company's directors are also members of various boards of key subsidiaries within the UK, Dutch and Swedish divisions. These boards hold scheduled meetings, at least quarterly, which are serviced by regular reports and information, covering all of the key areas relevant to the direction and operation of those subsidiary entities, including business development, key projects, financial performance and position, actuarial assumptions setting and results analysis, compliance, investments, information technology and security, operations, customer care and communication, internal audit, all aspects of the Risk function and own risk and solvency assessment.

### Customer/third-party conflicts of interest

The board has a policy in place to manage customer and third-party conflicts of interest. This policy sets out how the company and its regulated subsidiaries manage conflicts of interest fairly, both between the relevant company and its customers, between groups of customers and between customers, suppliers and shareholders.

No material conflicts of interest were noted in 2023.

### TCFD and CFD

In accordance with Listing Rules, we have compiled our third report covering the broad range of climate-related information to be disclosed under the four overarching pillars (Governance, Strategy, Risk Management and Metrics & Targets) of the TCFD. In addition, Chesnara plc has complied with the new CFD requirements by including climate-related financial disclosures consistent with the requirements under sections 414CA and 414CB of the Companies Act 2006.

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## Internal control

The board is ultimately responsible for the group's system of internal control and for reviewing its effectiveness. In establishing the system of internal control, the directors have regard to the significance of relevant risks, the likelihood of risks occurring and the methods and costs of mitigating risks.

In accordance with the FRC's guidance on Risk Management, Internal Control and Related Financial and Business Reporting, the board confirms that there is an ongoing process for identifying, evaluating and managing the significant risks faced by the group.

The group also maintains a principal risk register, which ensures identification, assessment and control of the significant risks subsisting within the company and its business units.

The Chesnara board undertakes a formal annual review of the effectiveness of the system of internal control and considers any material developments within the 12-month period. These reviews take account of the findings by the Internal Audit and Compliance functions on the operation of controls, internal financial controls, as well as management assurance on the maintenance of controls, and reports from the external auditor on matters identified in the course of statutory audit work.

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## Financial reporting

Management is responsible for establishing and maintaining adequate internal controls over financial reporting. These controls are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes.

The group has comprehensive planning, budgeting, forecasting and reporting processes in place. A summary of the group's financial results supported by commentary and performance measures are provided to the board on a quarterly basis.

The group financial statements are presented at a year-end following the introduction of IFRS 17 Insurance Contracts and IFRS 9 Financial Instruments. All reporting processes and controls are now substantially embedded across the group.

## 7. Risk Management

Managing risk is a key part of our business model. We aim to achieve this by understanding the current and emerging risks to the business, mitigating them where appropriate and ensuring they are appropriately monitored and managed.

### How we manage risk

Our Risk Management System supports the identification, assessment, and reporting of risks to monitor and control the probability and/or impact

of adverse outcomes within the board's risk appetite or to maximise realisation of opportunities.

### Risk management system review and development

#### Clear accountabilities and responsibilities



#### Strategy

The risk management strategy contains the objectives and principles of risk management, the risk appetite, risk preferences and risk tolerance limits.

#### Policies

The risk management policies implement the risk management strategy and provide a set of principles (and mandated activities) for control mechanisms that take into account the materiality of risks.

#### Processes

The risk management processes ensure that risks are identified, measured/assessed, monitored and reported to support decision making.

#### Reporting

The risk management reports deliver information on the material risks faced by the business and evidence that principal risks are actively monitored and analysed and managed against risk appetite.

We adopt a 'three lines of defence' model with a single set of risk and governance principles that are applied consistently across the business.

In all divisions we maintain processes for identifying, evaluating and managing all material risks faced by the business, which are regularly reviewed by the UK senior leadership teams and Audit & Risk Committees. Our risk assessment processes have regard to the significance of risks, the likelihood of their occurrence and take account of the controls in place to manage them. The processes are designed to manage the risk profile within the board's approved risk appetite.

Risk management processes are enhanced by stress and scenario testing, which evaluates the impact of certain adverse events occurring separately or in combination. The results, conclusions and any recommended actions are included within ORSA reports to the relevant boards. The outcome of this testing provides context against which the business can assess whether any changes to risk appetite or to management processes are required.



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## Risk strategy and risk appetite

Countrywide Assured has a defined risk strategy and supporting risk appetite framework to embed an effective Risk Management Framework, with culture and processes at its heart, and to create a holistic, transparent and focused approach to risk identification, assessment, management, monitoring and reporting.

On the recommendation of the Audit & Risk Committee the board approves a set of risk preferences which articulate, in simple terms, the desire to increase, maintain, or reduce the level of risk taking for each main category of risk. The risk position of the business is monitored against these preferences using risk tolerance limits, where appropriate, and they are taken into account by the management teams across the group when taking strategic or operational decisions.

## Risk and Control Policies

Countrywide Assured has a set of Risk and Control Policies that set out the key policies, processes and controls to be applied. Senior management are responsible for the day-to-day implementation of the Risk and Control Board Policies. Subject to the materiality of changes, the board approves the review, updates and attestation of these policies at least annually.

## Risk identification

A register of risks is maintained, where the risks are specific to its activity and scans the horizon to identify potential risk events (e.g. political; economic; technological; environmental, legislative & social).

On an annual basis the board approves, on the recommendation of the Audit & Risk Committee, the materiality criteria to be applied in the risk scoring and in the determination of what is considered to be a principal risk. At least quarterly the principal and emerging risks are reported to the relevant boards, assessing their proximity, probability and potential impact.

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## Own Risk and Solvency Assessment (ORSA)

On an annual basis, or more frequently if required, Countrywide Assured produces an ORSA. The ORSA policy outlines the key processes and contents of the report.

The board of Countrywide Assured is responsible for approving the ORSA, including steering in advance how the assessment is performed and challenging the results.

The primary objective of the ORSA is to support the company's strategic decision making, by providing insights into the company's risks profile over the business planning horizon. Effective ORSA reporting supports the board, in its role of protecting the viability and reputation of the company, reviewing and challenging management's strategic decisions and recommendations.

## Risk Management System effectiveness

Countrywide Assured undertakes a formal annual review of and attestation to the effectiveness of the Risk Management System. The assessment considers the extent to which the Risk Management System is embedded.

The board of Countrywide Assured is responsible for monitoring the Risk Management System and its effectiveness across the group. The outcome of the annual review is reported to the group board which make decisions regarding its further development.

## 8. Group Corporate and Social Responsibility

We are committed to transitioning to become a sustainable group and manage our business for the long-term benefit of all stakeholders, including our customers, shareholders, employees, regulators, suppliers and partners, local communities, and the planet.

### Transitioning to a sustainable group

We have a clear corporate and social purpose. As a business, we help protect our customers and their families from the economic impact of an early death through life assurance protection and help support them during retirement through pension and investment savings. We believe that stakeholder value creation is best delivered through the embedded consideration of environmental, social and governance issues. In this regard, among our key considerations are the following strategic aims:

- Genuine care for our customers, helping them create financial security now and for the future
- Investments focusing on long-term sustainability and strong financial solvency for the company
- Assessing and managing our impact on the planet and natural environment, including managing climate-related and wider sustainability-related risks
- Maintaining a long-term sustainable working environment for our staff, suppliers and partners and local communities.

Our Annual Sustainability Report  ([www.chesnara.co.uk/sustainability](http://www.chesnara.co.uk/sustainability)) provides detail on the work we are doing to become a sustainable Chesnara, including setting out our sustainability vision and targets. We want sustainability at the heart of decision making at all levels across the business and are basing our work on the mantra of 'Do no harm. Do good. Act now for later'. Our commitments are:

1. Supporting a sustainable future, including our net zero transition plans.
2. Making a positive impact, including our plans to invest in positive solutions.
3. Supporting our customers and partners to become more sustainable.
4. Creating a fairer world, ensuring our group is an inclusive environment for all employees, customers and stakeholders.

These commitments have been developed with consideration of the UN Sustainable Development Goals.

These 17 goals are an urgent call to action to promote peace and prosperity for people and the planet, now and into the future. We'll focus our activities on those goals where we feel we can have the greatest impact; however, we will support all of the goals wherever possible.

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