

Trade Press Letter

From CEO, John Perks

Police Mutual proposal to become part of Royal London

Improving the financial wellbeing of the Police family has been at the heart of all we do, from the very beginning, over 150 years ago, right up to today. Throughout our history, we've been committed to operating in the best long-term interests of members.

That commitment is central to why we are proposing to become part of The Royal London Mutual Insurance Society Limited (Royal London).

This is perhaps one of the biggest decisions we have ever made, and we are acting now to secure Police Mutual's future.

I want to set out the background to why Police Mutual is making this proposal and why we believe it is right for Police Mutual and the Police service.

Why we are proposing to become part of Royal London

The financial services industry has changed rapidly over the past few years. This, coupled with a difficult economic environment, has presented some significant challenges, particularly for a relatively small financial services company like Police Mutual.

The landscape in which we now operate means that continuing to offer products requires us to have a stronger financial position.

Becoming part of Royal London will provide a sustainable future for Police Mutual as part of a larger, stronger business and preserve what our members and the Police service value most about Police Mutual.

We require a stronger financial base for our business to be able to continue to operate – Royal London, the UK's largest mutual life insurance, pensions and investment company, is well-funded and will provide that financial strength.

Mutuality and the right fit

We believe that Royal London is a good fit for us. Like Police Mutual, it is a non-shareholder organisation, founded on strong ethics and values, where profits are reinvested to create financial and social returns for members, customers and the wider community.

Our mutuality is an important part of who we are and as part of Royal London that will continue.

What happens next?

Police Mutual's Committee of Management and Managing Board unanimously and unconditionally recommended the proposal for Police Mutual to transfer into and become part of Royal London to its nationwide Force Authorised Officers (FAOs) network. The FAOs, on behalf of all members, have already voted in favour of the proposal.

The transfer now has to receive confirmation by the Prudential Regulation Authority (PRA), who will consult with the Financial Conduct Authority. Confirmation of the transfer will only be given if the PRA is satisfied that it is in the interests of members, taking into account any concerns from customers, members and, indeed, anyone else.

The transfer also has to receive confirmation from the Royal Court of Jersey and the Royal Court of Guernsey and policyholders/members resident in those jurisdictions will be notified separately in this regard.

You can make representations or raise any concerns that you may have regarding the proposed transfer directly with the PRA. You need to send your representations to the PRA by **Monday 3rd August 2020**. If you would like to make oral representations, this is also the date by when you need to notify the PRA that you would like to do so. Both these things can be done by email to: PRAsecretariat-representations@bankofengland.co.uk or post to: PRA Governance Function, PRA, 20 Moorgate, London, EC2R 6DA.

If interested parties give notice that they wish to make oral representations then these will be heard by the PRA on **Monday 17th August 2020**. There will be a facility for verbal representations to be made remotely. After these hearings, the PRA will decide on the confirmation of the transfer.

Please note that the PRA will seek feedback from Police Mutual on any written representations that are made and, as part of its consultation, will share the representations with the FCA. This is to ensure that the process is as transparent as possible, and to ensure that its decision on whether to confirm the transfer takes into account all relevant information.

If you are a policyholder/member resident in Jersey and Guernsey then you also have the right to object before the court in your jurisdiction. You can also make representations to the PRA.

For further information, please visit our website, www.policemutual.co.uk.

A handwritten signature in black ink, appearing to read 'J. Perks', with a long horizontal line underneath it.

John Perks,
CEO – Police Mutual

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