ISSUED
17 July 2015

COMPANY PROFILE & FINANCIAL STRENGTH REPORTS

Hodge Lifetime

AKG

Accessible - Comparative - Independent

Analysis by AKG Actuaries & Consultants Ltd

Introduction

Background

AKG's Company Profile & Financial Strength Reports are designed to meet the information needs of advisers in assessing the relative strengths of UK long term Insurers/Providers. Two different styles of report are published by AKG - FULL reports and SHORT reports. A FULL report is produced for each of the leading Provider companies in the market, which participate in the production of the reports. For each remaining Provider company which is covered, a SHORT report is produced.

This is a FULL report.

Each report collates relevant information from a range of sources such as a company's returns to the PRA, its Report & Accounts and material provided by the companies themselves, and incorporates expert independent assessment. For FULL report companies, the process is augmented by regular meetings and other communications with AKG.

PLEASE NOTE: This report should be read in conjunction with AKG's User Guide to AKG's Company Profile & Financial Strength Reports, a copy of which is available on-line at www.akg.co.uk.

About AKG

AKG is an actuarially based consultancy specialising in the provision of ratings, information and market assistance to the financial services industry.

Assistance to Provider Companies
AKG assists Providers in: Financial Strength analysis, ratings and presentation, Data and information provision, Actuarial consultancy, Distribution consultancy.

Assistance to Financial Intermediaries
AKG assists intermediaries in: Financial Strength analysis, Best Advice panel services, Data and information provision, Actuarial and technical support.

Regular Reports
AKG publishes the following additional reports to assist Providers and Intermediaries:

AKG Offshore Profile & Financial Strength Reports - covering offshore life assurance companies.

AKG Platform Profile & Financial Strength Reports - covering platform operations.

AKG UK Life Office With Profits Reports - providing further depth in the assessment of with profits funds.

For further details, please contact AKG: Tel: +44 (0)1306 876439 or email akg@akg.co.uk

Hodge Lifetime

Index

Group Overview

Hodge Life Assurance Company Limited is a wholly owned subsidiary of Julian Hodge Bank Limited, whose immediate parent is The Carlyle Trust Ltd, which controls and co-ordinates the management of a group of companies. The bank's ultimate parent company and controller is The Carlyle Trust (Jersey) Ltd.

Hodge Lifetime is the trading name of Julian Hodge Bank Limited and Hodge Life Assurance Company Limited ("Hodge Life"), and the brand under which equity release and annuity plans are distributed. As a provider of equity release and immediate annuity plans since 1965, when the life company was first incorporated, Hodge Lifetime has been providing equity release plans longer than any other provider in the UK. It was a founder member of SHIP (Safe Home Income Plans, relaunched as the Equity Release Council in May 2012), the equity release trade body, when it was established in 1991. More recently, Hodge Life has moved into the mainstream compulsory purchase annuity (CPA) market, following the launch of a new product in January 2009, subsequently exiting the purchased life annuity (PLA) market in 2010. Hodge Lifetime widened the range of its retirement solutions, with the development of its 'Retirement Mortgage', launched in 2013.

Corporate Structure (simplified)

The Carlyle Trust (Jersey) Ltd

51.84%

The Carlyle Trust Ltd

Julian Hodge Bank Ltd

Hodge Life Assurance Company Ltd

Ratings

Company	Financial Strength Ratings				Supporting Ratings		
	Overall	With Profits	Non Profit	Unit Linked	Service	Image & Strategy	Annual Review
Hodge Life Assurance Company Ltd	B	▤	★★★	▤	★★★★	★★★	★★★★

Hodge Life Assurance Company Ltd

Corporate Data

Company Type	Life Insurer
Ownership	Carlyle Trust (Jersey) Ltd (51.84%)
Open to New Business?	Yes
Year Established	1965
Head Office	29, Windsor Place Cardiff CF10 3BZ
Tel:	0800 731 4076
Website	www.hodgelifetime.com

Key Personnel

Chairman & Non Exec Director	D K M James
Managing Director	D L Jones
Director	D M Austin
Deputy Chairman & Non Exec Director	J J Hodge
Non Exec Director	D A Bowen
Non Exec Director	H C Molyneux
Non Exec Director	A N Piper
Senior Manager: Operations	C Jerrett
Senior Manager: Sales & Marketing	J Tweed
Head of Actuarial	S J E Gunter
Actuarial Function Holder	O J Gillespie (Milliman)

Company Background

The company was established in 1965 as Home Reversions Ltd and became one of a number of financial services businesses which operated under the Carlyle name in the 1970s. The group has established a wider 'Hodge' brand in recent years, as shown in the name change for the life company to Hodge Life Assurance Company Ltd in 2001. The brand is now Hodge Lifetime.

Overall Financial Strength

B

The life company is small, but remains well capitalised, despite a decrease in its CRR coverage in 2014, a consequence of an increased CRR resulting from the transition towards Solvency II.

New business volumes increased in 2014 as the company widened its distribution footprint, but have since reduced following the announcement and then introduction of Pension Freedoms. Profits reduced, but were at a similar level if the impact of a one off item in 2013 was removed. The company did not pay a dividend [2013: nil].

Having successfully managed its transition to a focused provider of simple compulsory purchase annuities, the group now faces a number of challenges. These encompass both its equity release offering, due to the potential impact of Solvency II, and, more recently, the impact on its annuity proposition of changes announced in the 2014 Budget. The group states that it is acting accordingly to respond to these, and this alongside its improved governance framework, should put it in good stead for the future.

Reinsurance

Approach

The company does not make recourse to any reinsurance.

Analysis of Reserves	2012 £000's	2013 £000's	2014 £000's
Gross reserves	195,970	234,744	285,926
Reinsurance ceded - external	0	0	0
Reinsurance ceded - internal	0	0	0
Net mathematical reserves	195,970	234,744	285,926

Non Profit Business

General

Non profit is the company's sole business line and consists entirely of annuities. Whilst these have historically been purchased life annuities, the company entered the pensions market with a compulsory purchase annuity in 2009. With this change in focus, pension liabilities will grow in importance in future years, as evidenced in the table below, and will continue to exceed life liabilities, which continue to trend downwards.

Non Profit Reserves	2012 £000's	2013 £000's	2014 £000's
UK Life	68,146	59,190	54,089
UK Pensions	127,824	175,554	231,837
Overseas	0	0	0
Total net NP reserves	195,970	234,744	285,926

Non Profit Financial Strength ★★★

Being the only business line, non profit business is afforded the comfort provided by the company, its surplus and the potential backing of the wider group.

Unit Linked Business

The company does not have any Unit Linked business, so this section does not apply.

With Profits Business

The company does not have any With Profits business, so this section does not apply.

Key Financial Data (for y/e: 31/10/14)

Long Term Business Admissible Assets	2012 £000's	2013 £000's	2014 £000's
Fixed Interest	0	0	0
Equities	0	0	0
Property	82,324	79,393	80,935
Linked	0	0	0
Other	170,486	223,101	274,278
Total Assets	252,810	302,494	355,213

Unusually for a non profit company, a significant proportion of its long term business assets are currently property, reflecting the strategy it has adopted in backing its equity release portfolio. Other assets are predominantly mortgage loans, which increased from £198m to £246m in 2014.

LT Capital Resources	2012 £000's	2013 £000's	2014 £000's
Core tier one capital	67,647	80,685	86,118
Tier one waivers	0	0	0
Other tier one capital	0	0	0
Tier one deductions	-9,930	-10,950	-13,456
Total tier one capital	57,717	69,735	72,662
Tier two capital	0	0	0
Adjustments and deductions	-110	-60	-59
Total Capital Resources	57,607	69,675	72,603
CR outside the fund	5,000	5,073	5,000

Capital resources increased in 2014, as the company again retained its profits rather than paying a dividend. £5m continues to be held outside the Long Term Fund, providing greater flexibility of capital management.

LT Free Assets	2012 £000's	2013 £000's	2014 £000's
Available Capital Resources	57,607	69,675	72,603
Capital Resources Req't (CRR)	25,910	20,866	25,775
Free Assets (Published)	31,697	48,809	46,828
Financial Engineering	0	0	0
Free Assets (Exc Fin Eng)	31,697	48,809	46,828

LT Free Asset Ratios	2012 %	2013 %	2014 %
FAR (Published)	12.5	16.1	13.2
FAR (Exc Fin Eng)	12.5	16.1	13.2

LT CRR Coverage Ratios	2012 %	2013 %	2014 %
CRRCR (Published)	222.3	333.9	281.7
CRRCR (Exc Fin Eng)	222.3	333.9	281.7

The company continues its course of steady growth, with increased capital resources, boosted by retained profits. However, an increase in the Capital Resources Requirement (CRR), as part of the transition to Solvency II, resulted in lower solvency coverages.

Long Term Business Liabilities & Margins	2012 £000's	2013 £000's	2014 £000's
Non Linked Non Profit	195,970	234,744	285,926
Non Linked With Profits	0	0	0
Accum'lg With Profits	0	0	0
Linked	0	0	0
Surplus c/f	52,607	64,602	67,603
Other liabilities	4,233	3,148	1,684
Investment Reserves	0	0	0
Total Liabilities/Margins	252,810	302,494	355,213

All of the company's policy specific liabilities are non-linked non profit, reflecting the annuities that have been written. The unusually high level of surplus has increased broadly in line with the growth of the company.

Key Revenue Items	2012 £000's	2013 £000's	2014 £000's
INCOME			
Premiums	54,331	51,566	70,865
Investment Income	801	691	446
Investment Increase	20,985	15,720	2,988
EXPENDITURE			
Commissions	818	841	1,217
Policy claims	13,578	15,008	17,706
Expenses	1,939	2,864	2,700
Transfer to P&L	5,000	0	-155
Increase in fund	56,102	50,769	54,183

Premium income increased by 37% in 2014, driven by higher new business volumes. Total acquisition costs increased by a lower amount, 12%. Maintenance expenses reduced by 8%. Claims increased by 18% as the portfolio grew, with increased CPA payments more than offsetting reduced PLA payments. The result was an increased net inflow of £53.2m [2013: £36.6m].

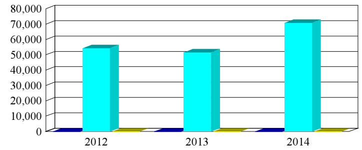
Expense Ratios	2012	2013	2014
New business (% APE)	33.7	49.4	40.2
Renewal (% reg premiums)	n/a	n/a	n/a
Renewal (% p.a. of mean fund)	0.41	0.42	0.32

2014 saw the new business expense ratio reduce as new business growth exceeded the increase in associated costs. The renewal expense ratio also reduced as the portfolio grew and maintenance expenses reduced.

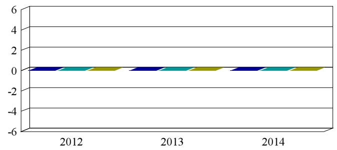
New Business Data (for y/e: 31/10/14)

		Single £000's	Regular £000's
Investment			
Bonds	With Profits	0	0
	Unitised WP	0	0
	Unit Linked	0	0
Endowment	With Profits	0	0
	Unitised WP	0	0
	Unit Linked	0	0
Guaranteed Bonds		0	0
ISA / tax exempt		0	0
Annuities		0	0
Miscellaneous		0	0
Total Investment		**0**	**0**
Protection			
Whole Life	With Profits	0	0
	Unitised WP	0	0
	Unit Linked	0	0
Term	Ordinary	0	0
	Pension	0	0
IP	Individual	0	0
Critical Illness		0	0
Long Term Care		0	0
Miscellaneous		0	0
Total Protection		**0**	**0**
Pensions			
Individual	With Profits	0	0
	Unitised WP	0	0
	Unit Linked	0	0
CPA		70,865	0
CPA (Impaired Life)		0	0
Bulk Transfer Annuities		0	0
Miscellaneous		0	0
Total Pensions		**70,865**	**0**
Group Business			
Pension		0	0
Life		0	0
IP		0	0
Critical Illness		0	0
Miscellaneous		0	0
Total Group Business		**0**	**0**
TOTAL DIRECT BUSINESS		**70,865**	**0**
Overseas Direct *(incl above)*		0	0
External Reins *(excl above)*		0	0
Intra-Group Reins *(excl above)*		0	0
Industrial Branch *(incl above)*		0	0

New Single Premiums	2012 £000's	2013 £000's	2014 £000's
UK Life	25	0	0
UK Pensions	54,306	51,566	70,865
Overseas	0	0	0
Total (Direct + External Reins)	54,331	51,566	70,865
Growth Rate	103.5%	-5.1%	37.4%
Reins Accepted (Intra-Group)	0	0	0



New Regular Premiums	2012 £000's	2013 £000's	2014 £000's
UK Life	0	0	0
UK Pensions	0	0	0
Overseas	0	0	0
Total (Direct + External Reins)	0	0	0
Growth Rate			
Reins Accepted (Intra-Group)	0	0	0



Another good year for new business, despite the Pension Freedoms announced in the Budget in March 2014, as the company widened its distribution footprint.

Volumes have since fallen by around 50%, a pattern also seen by other annuity providers.

Julian Hodge Bank reported increases in loans and advances of 15%, from £384m to £441m.

Distribution

Method

Hodge Lifetime distributes its equity release and annuity products through the intermediary channel, with different elements of this channel targetted for different propositions.

There is significant use of the primary Exchange and Assureweb portals and other intermediary owned portals, with changes made in 2013 to facilitate more product visability within these.

Albeit a reduced channel since the introduction of pension freedoms, the operation distributes its compulsory purchase annuity mainly through specialist annuity advisers. It has also been successfully increasing its footprint amongst the broader intermediary market and through strategic relationships.

Equity release also makes use of specialist intermediaries operating in that area, whilst the Retirement Mortgage is more suited to, and consequently more focussed on, larger groupings of more mainstream advisers and mortgage brokers via networks and support infrastructure. Any further growth is likely to be in a considered fashion, in line with capital and operational capacity.

Hodge Lifetime deals with intermediaries from a centralised base with a small, albeit growing, sales / support structure to supplement it.

Distribution Split	Regular Premium %	Single Premium %
Intermediary	0.0	100.0

Image and Strategy ★★★

To date the company's objective has been to match its annuity liabilities with equity release assets, and to grow both businesses in parallel. Having previously acquired equity release from its parent, the intention for some time has been to effect this business directly within the life company as a means of continuing this matching. Its appetite is to grow market share in a controlled and modest way.

2008 saw the launch of the Hodge Lifetime brand, incorporating the group's equity release and annuity businesses. A key part of the strategy is to develop this brand into a recognised retirement brand, primarily within the intermediary market and, to a lesser but increasing degree, amongst consumers.

The significant and unexpected changes to the decumulation market resulting from the 2014 Budget raise clear challenges to the business in terms of its current annuity proposition. However, the business has responded by widening its niche to a modest degree in terms of 'pension pot' sizes considered and is looking at opportunities, including potential strategic relationships, across the wider decumulation arena to mitigate this.

Further challenge to the equity release business still potentially comes from Solvency II. However, again the company, whilst not of the scale to bring much influence to bear, appears well aware of the implications and advanced in considering mitigating actions, should these prove necessary.

Products/Proposition

Overall Product Philosophy

Hodge Lifetime specialises in two complementary product areas: annuities and equity release.

In the compulsory purchase annuity arena, the goal is to use efficient, low cost administration, coupled with a suitable investment strategy aiming to maintain market-leading annuity rates.

Annuity sales enable the company to invest in equity release assets, subject to liquidity, solvency and capital requirements.

Hodge Lifetime has been providing equity release products since 1965, when it launched the first ever reversion scheme, and was a founder member of the equity release trade body SHIP (Safe Home Income Plans), relaunched as the Equity Release Council in May 2012. September 2013 saw it launch its flexible Retirement Mortgage (a non-SHIP product).

Products Currently Marketed

Pension Products

Compulsory Purchase Annuity

Other Products

Equity Release Mortgages
(written by Julian Hodge Bank Ltd)

Product Awards and Benchmarks

Hodge Lifetime was named the Best Equity Release Provider for the second year running at the 2014 Moneyfacts Investment, Life and Pensions awards. In addition, at the 2014 Equity Release Awards, it was named the Best Provider for Adviser Support.

Service

★★★★

Approach
The life company has no employees of its own: all administrative services being provided by Julian Hodge Bank for which an appropriate charge is made.

Hodge Lifetime operates to a number of core values and beliefs related to: Fairness (of pricing); Service (to intermediaries and customers); Simplicity (in products, process and paperwork) and Specialist (in the retirement market). The company considers that this gives it an in-depth understanding of customer needs and therefore enables it to tailor its products and services accordingly.

In November 2013, annuity new business administration was brought back in-house from Equiniti Paymaster (rebranded from Xafinity Paymaster), while Equiniti Paymaster continue to process annuity payments.

Work continues within the bank to upgrade administration systems (with intended delivery for late 2015) and, in tandem with the life company, to then enhance the interface between them.

e-Business
Hodge Lifetime maintains a website which caters for both the intermediary and the end customer.

Key to distribution is availability through The Exchange and Assureweb intermediary portals.

Service Standards & Awards
Hodge Lifetime has a history of winning awards. In 2013, it was awarded 5 star ratings in the FTAdviser.com Online Service Awards in the 'Life & Pensions' and 'Mortgage' categories. This was retained in the Mortgage category in 2014. It also obtained a 4 star award in the 2013 and 2014 Financial Adviser Service awards - Mortgages, albeit only 2 stars as a Life & Pensions provider. It was also Highly Commended in the 'Most Competitive Annuity Provider' category for the Moneyfacts Life and Pensions Awards 2011 and 2012. In 2011 it was awarded a 4 star rating in the FTAdvisor.com Online Service Awards in the 'Mortgage Lender and Packager' category.

Albeit still relatively young in terms of track record establishment, the company's feedback from customer research is largely very positive.

Outsourcing
Some loan servicing activity for the Retirement Mortgage is outsourced to Capita Mortgage Services (formerly Crown Mortgage Management), a specialist mortgage outsourcer based in Ipswich.

Pension annuity payments are outsourced to Equinity Paymaster, a specialist pension and annuity administrator based in Crawley.

Investment

Overall Approach
Hodge Life invests a significant proportion of its assets in equity release assets (home reversion plans and lifetime mortgages), with the remainder predominantly held as cash.

Funds Under Management
Hodge Life remains very small in market terms, having long term assets of £355m, of which £81m comprises property investment. Julian Hodge Bank's total assets increased by 8% to £785m [2013: £727m] as at 31 October 2014.

Annual Review

★★★★

Hodge Lifetime has continued to pursue its stated strategy and 2014 was another good year for the company. New business levels increased as the company widened its distribution footprint, but have since fallen back by around 50% in the lead up to and introduction of Pension Freedoms.

The company made a reduced pre-tax profit of £6.9m [2013: £14.5m - boosted by a one-off profit]. No dividend was paid [2013: nil]. Long term assets increased by 17% to £355m. Pillar I capital resources in excess of the capital resources requirement reduced by 4% to £46.8m.

Hodge Life increased its holdings of lifetime mortgages to a total of £246m, purchasing mortgage assets of £61.9m [2013: £65.5m] over the year from Julian Hodge Bank.

The immediate parent, Julian Hodge Bank Ltd, made an improved pre-tax profit of £4.3m [2013: £3.5m], reflecting continued investment together with a more benign economic environment. No dividend was paid and the Tier 1 capital ratio reduced slightly to 25.5% [2013: 26.1%]. As at 31 October 2014, Julian Hodge Bank had £618m of equity release mortgage assets under management, including £397m for other financial institutions. 2014 saw the bank's deposit base increase by 8.5%, to £633m.

At the group level, The Carlyle Trust Limited saw pre-tax profits reduce from £21.8m to £11.6m, but it considered this to be a solid performance against the prevailing trading environment. It paid a dividend of £1.6m [2013: £487k].

Good progress has been made in developing additional governance, which should equip the business for further growth and maturity. Whilst there are also different challenges for its key business lines, this strengthening of its operational credentials, together with growth to date but continued agility, affords it options for continued future development.

2015 sees Hodge Lifetime celebrate its 50th anniversary.

Financial Strength Ratings - Introduction

The aim of AKG's financial strength ratings is to assist advisers and others to assess the relative strengths of individual provider companies. AKG's concept of 'financial strength' starts with the fundamental issue of a company's ability to meet all of its guaranteed payments to policyholders, but extends beyond this by aiming to factor in the degree to which a policyholder's expectations are likely to be met - or even exceeded - in the long-term. For performance-related products, where the eventual return generally depends largely upon a company's success in consistently delivering superior investment performance, and in containing expense charges, a company's ability to meet expectations is likely to be heavily dependent upon whether or not it is able to sustain its operations in the relevant market, and whether or not it can maintain, or improve, its competitive position.

As a result, AKG believes that, ideally, the evaluation of 'financial strength' should depend upon the type of product under consideration. A particular company may be judged as very strong in the context of one particular product line, but it may be weaker in another context. An illustration of this concept is a company that currently only markets unit linked business, but which has a very small closed block of with profits business, written many years ago. Such a company may be judged as 'good' for unit linked business, whilst considered 'poor' in respect of with profits business.

Since the inception of AKG's Company Profiles and Financial Strength Reports, AKG has consistently promoted and developed the concept of providing financial strength ratings separately for each of the three major product categories - With Profits, Non Profit and Unit Linked.

All AKG's financial strength ratings should be used with care, since even the more detailed approach described above represents something of a simplification. To illustrate this point, for example, the 'Non Profit' category covers a multiplicity of different products. It is clear that slightly different criteria should be used for, say, short-term policies with fully guaranteed terms (e.g. Guaranteed Bonds), than for longer-term policies with terms that can be varied at the company's discretion (e.g. Renewable or Reviewable Term).

AKG assesses financial strength using consistent methodology and objective measures wherever possible, and based on the detailed analysis of the company's particular strengths and weaknesses. The objectives and criteria for each of the financial strength ratings are summarised below:

With Profits Financial Strength Rating

The objective is to assess the overall strength of the company's with profits funds. The initial concern is the company's ability to meet its ongoing guaranteed, or promised, commitments, i.e. existing sum assured and bonuses. However, the company's ability to continue to compete successfully in the with profits market is also particularly relevant, given that closed funds are sometimes bad news for policyholders. In such situations, overall expenses tend to increase as a proportion of the fund and investment performance may well deteriorate. These, together with other factors, may make it difficult for companies in such situations to maintain competitive bonus rates at future declarations, although existing declared bonuses are not affected (other than possibly by MVRs).

☆☆☆☆☆	Excellent
☆☆☆☆	Very good
☆☆☆	Good
☆☆	Adequate
☆	Poor
▤	Not rated

The main criteria taken into account are: capital base and free asset position, with profits realistic balance sheet position, the amount of with profits business in-force, parental strength (and likely attitude towards supporting the company), and image and strategy.

NOTE: More detailed analysis of with profits companies is included in AKG's UK Life Office With Profits Report.

Non Profit Financial Strength Rating

The objective is to assess the company's ability to meet all guaranteed payments arising from such contracts as term plans, annuities etc.

☆☆☆☆☆	Excellent
☆☆☆☆	Very good
☆☆☆	Good
☆☆	Adequate
☆	Poor
▤	Not rated

The main criteria taken into account are: free assets, structure (and size) of funds within the company, parental strength (and likely attitude towards supporting the company), and image and strategy.

Unit Linked Financial Strength Rating

Whilst this is essentially a non profit line, and the primary objective is to assess the company's ability to meet all guaranteed payments arising, AKG also seeks to take into account the extent to which the company is likely to be able to sustain its unit linked operations, and whether or not it is likely to be able to maintain, or improve, its competitive position. Thus strategic issues are also relevant, because of their bearing on the quality of investment management offered, and because of companies' rights to increase charges etc.

The main criteria taken into account are: free assets, structure (and size) of funds within the company, parental strength (and likely attitude towards supporting the company), typical fund performance achievements, and image and strategy.

☆☆☆☆☆	Excellent
☆☆☆☆	Very good
☆☆☆	Good
☆☆	Adequate
☆	Poor
▤	Not rated

Overall Financial Strength Rating

The objective is to provide a simple broad-brush indication of the general financial strength of a company. In addition to an assessment of the company's ability to meet all of its guaranteed payments to policyholders, AKG also aims to factor in the degree to which policyholders' expectations are likely to be met - or even exceeded - in the long-term. This involves an assessment of a company's ability to survive in its current form for the long term. The overall rating inherently reflects the mix of business in-force within the company, since different types of policyholder have different expectations, and the company's particular strengths and weaknesses in respect of its key product areas.

The rating takes into account those of the following criteria which are relevant (depending upon the company's mix of business in-force): capital base and free asset position, with profits realistic balance sheet position, structure (and size) of funds within the company, parental strength (and likely attitude towards supporting the company), typical fund performance achievements, and image and strategy.

A	Superior
B+	Very strong
B	Strong
B-	Satisfactory
C	Weak
D	Very Weak

Supporting Ratings - Introduction

Supporting ratings are provided only in full reports, and are assessed at the brand level. AKG assesses three key supporting areas, using consistent methodology and objective measures wherever possible. The aim is to assist advisers and others to consider the relative merits of the brands that they deal with. AKG's objectives and criteria for each of these ratings are summarised below:

Service Rating

The objective is to assess the quality of the organisation's service to the intermediary market in respect of the brand concerned.

Criteria taken into account include: performance in surveys, awards and benchmarking exercises (external and internal), the organisation's philosophy, service charters, the extent of investments designed to improve service, and feedback from intermediaries.

☆☆☆☆☆	Excellent
☆☆☆☆	Very good
☆☆☆	Good
☆☆	Adequate
☆	Poor
▤	Not rated

Image and Strategy Rating

The objective is to assess the effectiveness of the means by which the organisation currently positions itself to distribute its products for the brand concerned and the plans it has to maintain and/or develop its position.

Criteria taken into account include: overall trends in the company's market share position, brand visibility and reputation, feedback from intermediaries and industry commentators, and AKG's view of the company's general strategy.

☆☆☆☆☆	Excellent
☆☆☆☆	Very good
☆☆☆	Good
☆☆	Adequate
☆	Poor
▤	Not rated

Annual Review Rating

This is an end of year view for the last year for which Report and Accounts, returns to the PRA, etc., are available, together with comment on any significant post-balance sheet events. It is an assessment of how the brand has fared against its peers, and how it is perceived externally.

Criteria taken into account include: increase/decrease in market shares, expense containment, publicity - good or bad, press or market commentary, regulatory fines, and competitive position.

☆☆☆☆☆	Excellent
☆☆☆☆	Very good
☆☆☆	Good
☆☆	Adequate
☆	Poor
▤	Not rated

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AKG is an actuarially based consultancy specialising in the provision of ratings, information and market assistance to the financial services industry