

## OUTLOOK

19 June 2017

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## Life Insurance - UK

# Expectation of a moderate impact from Brexit drives stable outlook

The change of our outlook to stable from negative for the UK life insurance industry reflects mainly our expectation that the impact of Brexit on the sector will be moderate and operational risks are manageable over the next 12 to 18 months. Furthermore, low interest rates are not a key risk for UK life insurers. However, the life industry is facing a number of regulatory probes which could reduce margins.

**Brexit impact is expected to be moderate.** Following the UK's referendum vote to quit the EU in June 2016, we maintained a negative outlook on the UK life sector to reflect the perceived risk to earnings and capitalisation from Brexit. Given the subsequent resilience of the UK's economy and financial markets, our base scenario is that the impact of Brexit on UK life insurers will be moderate over the next 12 to 18 months. We do not expect the loss of "passporting" to be a material issue. We recognise, however, that material uncertainty remains, and that there are clear downside risks to this base case.

**Business model advantages position insurers strongly for the long-term shifts in the sector.** In 2016 most UK life insurers increased their operating profit under IFRS, despite competitive pressure on margins. This resilient performance reflects certain strengths of the UK life insurance business model. A number of UK life insurers own a [dedicated asset management subsidiary](#) and have a strong presence in the pensions and retirement products market, parts of which are growing as a result of recent reforms. This has given them significant asset gathering and fee revenue generation capability.

**UK life insurers are less vulnerable to low rates.** While low interest rates weigh on the investment returns of UK life insurers, [they are less vulnerable](#) than some of their European counterparts because they are not committed to paying guaranteed returns to policyholders.

**Solvency II capitalisation is comfortable.** UK life insurers reported YE2016 Solvency II ratios comfortably above the 100% threshold. Despite the [high reliance on transitionals](#) for the UK life sector, we see as low the threat of regulatory intervention, as the UK's Prudential Regulation Authority (PRA) has confirmed the full capital benefit of transitional measures.

**Regulatory headwinds persist.** The UK life industry is facing a number of regulatory probes which could have a negative impact on margins. There is particular uncertainty around the outcome of the Financial Conduct Authority's review of non-advised annuity sales practices, prompting Prudential UK and Standard Life to each set aside provisions of £175m (gross of any reinsurance recoveries) at the end of 2016.

## Brexit impact is expected to be moderate









Following the UK's referendum vote to quit the EU in June 2016, we maintained a negative outlook on the UK Life sector to reflect a potential downturn in earnings and capitalisation as a result of weaker economic growth and prolonged financial market volatility.

## UK economy and financial markets resilient

Given the UK's resilient macroeconomic environment since the referendum vote (see Exhibit 1) and the recovery of financial markets following an initial downturn, we now expect the impact of Brexit on UK life insurers' capital and earnings to be moderate over the next 12 to 18 months. This expectation reflects Moody's base case scenario that the UK and the EU will eventually come to an agreement that broadly mimics most — but not all— of current trading and regulatory arrangements.

Exhibit 1

### Macroeconomic Conditions Remain Firm, Despite Some Emerging Headwinds for Consumption, Housing Market

Indicator groups	Level vs. five-year average	Change since referendum	Most recent change	Key takeaways from indicator group
 Business Activity	Same	↔	↔	Headline surveys are in line with 5-year averages and pre-referendum levels. Industrial production, in particular, remains significantly above trend albeit softening in March.
 Investment sentiment	Same	↔	↗	Investment sentiment has returned to pre-referendum levels and is near 5-year averages, supported by a brightening outlook for global growth.
 Consumption	Same	↔	↔	Consumption indicators are in line with 5-year averages, and while volatile, signaling risks of moderating consumer growth. Rising inflation, softer house price growth and a dip in household financing conditions also point to emerging headwinds.
 Trade	Below	↔	↔	Trade balance indicators are below 5-year averages and have been volatile since the referendum. Surveys point to rising export orders in manufacturing, but less so in services, while the UK's trade deficit widened in March.
 Prices	Above	↗	↗	Consumer price inflation is above 5-year averages and has edged higher since the referendum on the back of rising import prices. In particular, inflation in core goods, which exclude volatile items spiked in April.
 Labor market	Same	↔	↗	Labour market indicators are in line with 5-year averages and are little changed since the referendum. The slowdown in employment growth has bottomed out for now, and hiring intentions have edged up.
 Housing market	Below	↘	↘	Housing market indicators are trending below 5-year averages, and have fallen since the referendum. Expectations point to a further moderation in house price growth going forward.
 Financial conditions	Same	↗	↘	Financial conditions are in line with 5-year averages, although they have generally eased since the referendum. However, lenders expect household credit availability to fall over the next three months for the third quarter in a row.

Source: Moody's Investors Service, UK Brexit Monitor 18 May 2017

However, we recognise that there remains material uncertainty over the impact of Brexit over the medium to long-term. There are clear downside risks to our base case, including the possibility that no new or temporary trade arrangements will be agreed before the expiration of the two-year withdrawal period outlined in Article 50 or - even more detrimental that there will be an unexpected collapse of the negotiations. These could have negative implications for economic growth and financial markets resulting in possible repercussions for the UK life sector given its high asset leverage and material exposure to UK financial markets.

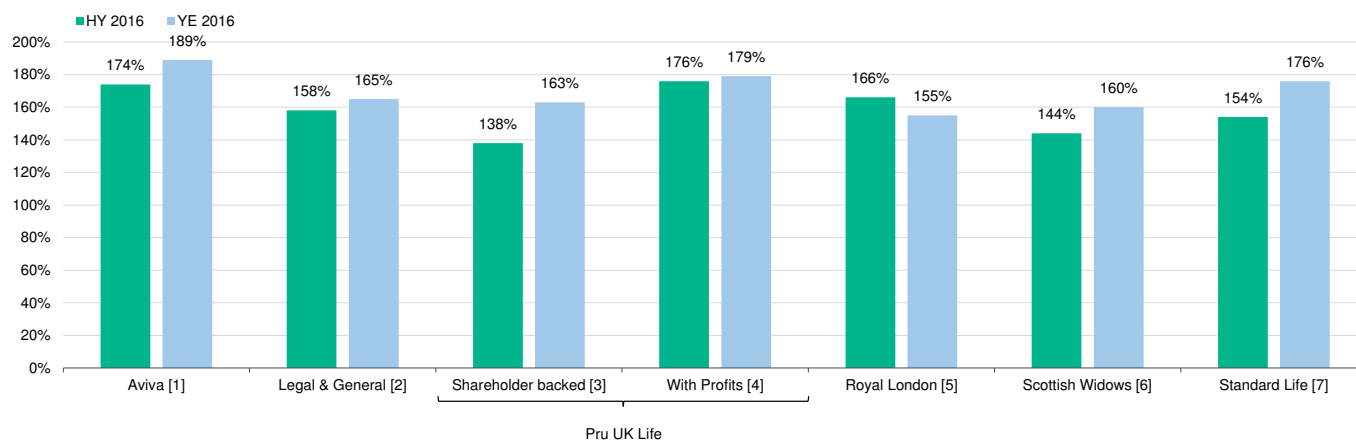
### SOLVENCY RATIOS AND EARNINGS ROBUST TO DATE

UK life insurers' solvency and earnings have proved resilient since the referendum vote. The recovery in financial markets - the FTSE 100 has risen by around 20% from 24 June 2016 and UK 10 year government bond yields have almost doubled from the low point of around 0.5 in August 2016 - and insurers' diversified investment portfolios have protected the sector's Solvency II ratios which, for most insurers, increased in 2H16 (see Exhibit2).

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Exhibit 2

## UK life insurers' Solvency II ratios mostly increased in 2H16



[1] Solvency II ratio at HY 2016 includes on a pro-forma basis the estimated impact of acquiring RBC General Insurance business. Solvency II ratios at HY 2016 and YE 2016 refer to the shareholder's view, which excludes the contribution to Group SCR and Group Own Funds of fully ring fenced with-profits funds and staff pension schemes. Including these items and other pro-forma adjustments, on a regulatory view, Solvency II ratio stood at an estimated 173% at YE 2016.

[2] Solvency II ratios refer to the regulatory view. On a shareholders basis, excluding Own Funds and SCR of the with-profits funds and the final salary pension schemes, the Solvency II ratio stood at 163% and 171% at H1 2016 and YE 2016 respectively.

[3] The ratio refers to the estimated UK shareholder Solvency II capital position excluding the contribution to Own Funds and the SCR from ring fenced with-Profit funds and staff pension schemes in surplus.

[4] The ratio refers to the estimated UK with-profits Solvency II capital position. The with-profits Solvency II surplus represents the contribution to Own Funds and the SCR from ring fenced funds.

[5] The ratio refers to the estimated Solvency II capital position on a regulatory view.

[6] Solvency II ratios refer to the shareholders' view of Solvency II surplus.

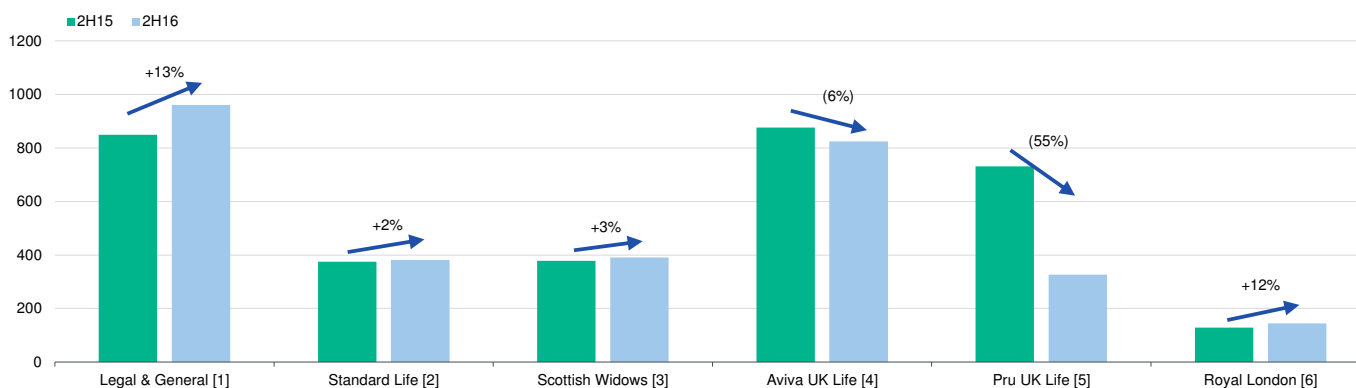
[7] Solvency II ratios refer to the regulatory view. On an investor view basis, including entity level capital not recognised at Group and excluding the contribution to SCR and Capital related to the with-Profits Funds and the Pension Scheme surplus, the Solvency II ratio stood at 200% and 214% at H1 2016 and YE 2016 respectively. Surplus at YE 2016 includes £1.0 billion of additional capital from subsidiaries previously not recognised at group level.

Source: Company reports and Moody's Investors Service

The sector's profitability has also held up well, with most insurers reporting earnings growth in 2H16 (see Exhibit 3).

Exhibit 3

## UK life insurers reported operating profit growth in 2H16



[1] Group IFRS operating profit on a pre-tax basis.

[2] IFRS profit from total continuing operations before tax.

[3] Scottish Widows is consolidated in Lloyds' accounts on an IFRS basis that resembles an embedded value framework. Consequently, we consider underlying profit including general insurance as operating profit.

[4] Aviva's UK and Ireland's long-term business operating profit before tax and before integration and restructuring costs.

[5] Operating profit before tax from Prudential plc UK long-term business insurance operations; 2H15 profit benefited from £339m of specific management actions

[6] EEV operating profit before tax

Source: Company reports and Moody's Investors Service

### Limited risk from loss of passporting

In a scenario where UK financial firms lose their EU “passporting” rights, which allow them to sell their services across the rest of the EU bloc, we anticipate that this will be manageable for the insurance sector, as most UK life groups that operate in continental Europe do so via local subsidiaries, which will be able to continue operating even if their UK parents lose their passporting rights.

We see limited regulatory risk to UK life insurers from Brexit over the next two years. In particular, we expect the UK's post-Brexit insurance regime to gain Solvency II equivalence, at least for an initial period, given the UK's close involvement in the development of Solvency II. Over the longer term, Brexit increases the risk of regulatory divergence between the UK and its former EU partners. This could reduce capital fungibility and increase regulatory costs for insurers operating in both jurisdictions.

### Business model advantages position insurers strongly for the long-term shifts in the sector

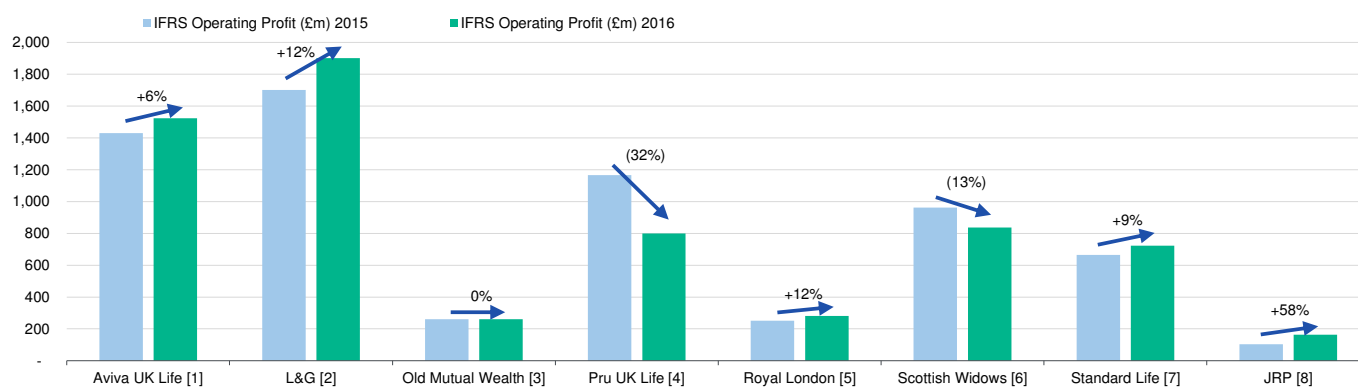
#### Profitability improved during 2016

In 2016, the majority of UK life insurers increased their operating profit under IFRS (see Exhibit 4). This is notwithstanding an increasingly competitive environment which is squeezing margins and fees. The main exception was Prudential UK, which was negatively affected by a £175 million (gross of any reinsurance recovery) provision related to a regulatory review concerning non-advised annuity sales, and by reduced profits from annuity new business following its withdrawal from the bulk annuity market.

A number of insurers also increased their value of new business (“VNB”), despite growing competitive pressure on margins and fees. Aviva's 2016 VNB rose by 10%, while that of Pru UK retail and Royal London increased by 33% and 62% respectively.

Exhibit 4

#### Most UK life insurers reported stronger operating profit in 2016



[1] IFRS operating profit represents the as reported adjusted operating profit before tax.

[2] Group IFRS operating profit on a pre-tax basis.

[3] IFRS operating profit represents the as reported adjusted operating profit before tax.

[4] IFRS operating profit relates to Prudential Group's UK long-term business and is reported on a pre-tax basis.

[5] IFRS operating profit is reported before tax and before exceptional items.

[6] Scottish Widows is consolidated in Lloyds' accounts on an IFRS basis that resembles an embedded value framework. Consequently, we consider underlying profit including general insurance as operating profit.

[7] IFRS operating profit represents group's operating profit before tax from continuing operations and before restructuring and significant corporate transaction expenses.

[8] Pro forma adjusted operating profit for Just Retirement and Partnership.

Source: Company reports and Moody's Investors Service

This resilient performance reflects certain strengths of the UK life insurance business model. A number of UK life insurers own a dedicated asset management subsidiary and have a strong presence in the pensions and retirement products market, which is growing as a result of pension freedom and of other structural long-term shifts in the sector such as auto-enrolment and the move from defined benefits (DB) to defined contribution (DC). This has given them significant asset gathering and fee revenue generation capability, together with growing sales of non-fee products such as protection, bulk annuities, and equity release.

### The benefits of owning an asset manager

UK pension reforms that took effect in 2015 have given retirees greater freedom to invest their pension savings. This has exposed UK life insurers, which have traditionally managed the bulk of their pension customers' assets on retirement, to increased competition from pure asset management companies.

Insurers such as Aviva, L&G, Prudential, Royal London and Standard Life have responded by broadening their asset management offering so as to maintain their share of maturing pension assets. Higher capital charges for certain life insurance products under Solvency II have further incentivized life insurers to expand their asset management divisions.

So far, this strategy has diversified life insurers' revenue sources at a lower capital cost, a credit positive, and we expect them to continue building up their fund management businesses. Insurer-owned asset managers have reported meaningful operating profit growth over the last five years, although some, such as Aviva Investors and Royal London, started from a low base. Asset management is a significant contributor to group operating profits at Legal & General, Royal London, and particularly Standard Life (see Exhibit 5).

Exhibit 5

#### Asset management is a major profit contributor at Standard Life and L&G



For compound annual growth rate (CAGR) we consider period 2011-2016. Operating profit and operating profit contribution to the group figures as of YE 2016.

Group operating profit reflects operating profit from divisions and excludes "other" items, where relevant.

[1] M&G is owned by Prudential.

[2] Operating profit for Royal London is on a European Embedded Value (EEV) basis as of YE2016. In order to capture the operating profit of RLAM, we use operating profit from "Wealth" segment as it mainly comprises the fund management operation of the Group.

[3] Pro-forma for combined entity. Information for Aberdeen based on IFRS financial statements as of Fiscal YE September 30.

Source: Company reports and Moody's Investors Service

The overlap between insurance and asset management has also allowed insurer-owned asset managers to develop particular areas of expertise that have been successfully marketed to pension funds and other investment management clients. These areas of expertise include liability driven investment (LDI) and illiquid asset development, skills which have put insurer-owned asset managers in a strong position to attract pension assets. There are also opportunities for insurer-owned asset managers to convert additional assets under administration ("AUA") from workplace pensions into fresh investment management mandates.

However, increased reliance on fund management revenues can make earnings less predictable, and increasingly intense competitive pressure across the asset management industry, exacerbated by rising regulatory and technology costs, means that fees and margins will likely fall for all asset managers as a result.

### Insurers boosted by growth in workplace pensions

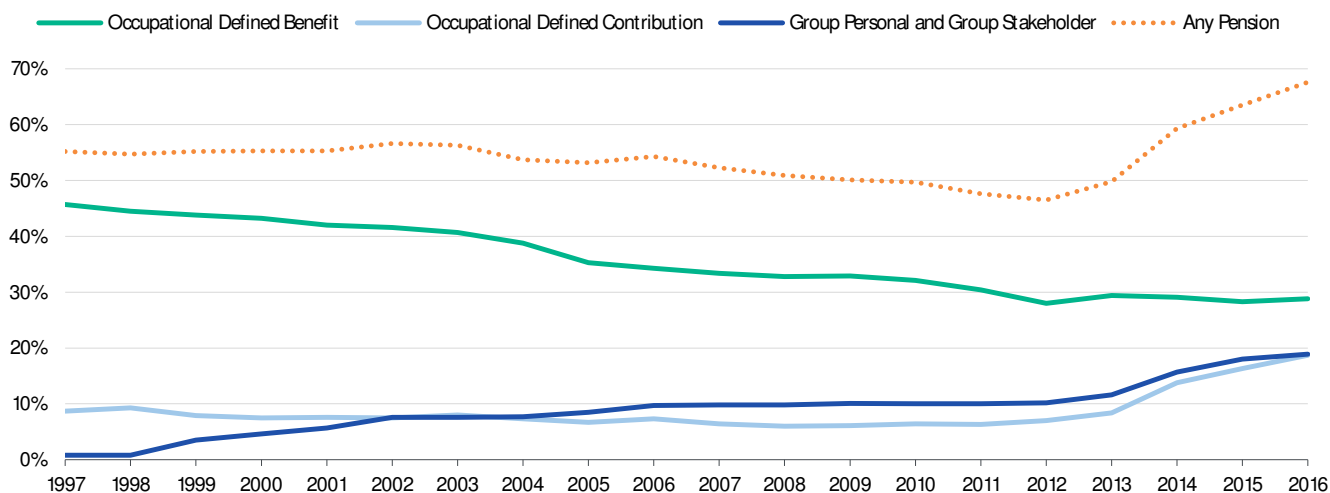
Corporate pensions is a low margin product but players with scale (eg Standard Life, Aviva, Scottish Widows, L&G) continue to take advantage of the increase in auto-enrolment contributions as well as the large savings gap in the UK, thereby increasing assets and maximizing revenues.

In 2016, a higher proportion (68%) of people saved into a workplace pension than at any time since records began in 1997 (see Exhibit 6, orange dotted line), likely driven by the introduction of auto-enrolment. Under auto-enrolment, new employees are automatically enrolled in their corporate pension scheme unless they ask not to be.

Asset accumulation should also benefit from the increasing shift from defined benefits to defined contribution pensions (see Exhibit 6, green line (DB) trending down while light blue line (DC) trending up), and the fact that minimum auto-enrolment contribution rates will increase from the current 2% of eligible earnings to 5% in 2018 and 8% in 2019. Auto-enrolment is expected to add £17 billion per year by 2019/20<sup>1</sup> to the current £81.8 billion in annual workplace pension contributions. These additional pension assets are credit positive for UK life insurers because they will increase insurers' overall AUA.

Exhibit 6

### The proportion of UK employees with workplace pensions rose in 1997-2016



Source: UK Office of National Statistics and Moody's Investors Service

### Bulk annuities, equity release offset lower individual annuity sales

We expect bulk annuities to continue to compensate for the lost VNB from individual annuities, helped by increasing demand in the UK which currently has about £2 trillion of defined benefit liabilities. This is notwithstanding the decline registered in 2016, when the UK bulk annuity market fell by 17% to £10.2 billion, held back by the introduction of Solvency II and volatile financial market conditions in H16.

Bulk annuities typically command much higher margins than savings products, and even though the market has recently become more competitive with the entry of Scottish Widows and Canada Life, barriers to entry remain relatively high. However, bulks annuities are much more capital consumptive and higher risk, because of the longevity exposure, thereby increasing a company's liability risk profile. This was reflected in the Solvency II regime introduced last year which has forced players to adopt a different approach in which significant amounts of longevity risk are ceded away. In Pru UK's case, Solvency II has led to the curtailment of its bulk annuity business.

On the asset side, the fast-growing housing equity release market, where retirees boost their income through loans secured against their homes, offers further opportunities. The value of UK equity release lending grew by 77% to £697m<sup>2</sup> in Q1 2017. Equity release transactions provide insurers with illiquid assets that match their illiquid annuity liabilities. However, equity release products are complex, and carry inherent mis-selling risk.

### In-retirement opportunities

Individual annuities continue to offer some potential opportunities in the market for in-retirement products, notwithstanding the [change in regulation in 2015](#). Sales have stabilized after falling steeply in 2014 and 2015, and could pick up in future if interest rates rise and financial market fluctuations demonstrate the volatility of returns from alternative income drawdown products.

Following the sale of Aegon's £9 billion annuity portfolio (£6 billion to Rothesay and £3 billion to L&G) in 2016, we also see the potential for further annuity back-book consolidation. Sellers of annuity books will free up capital and improve their profitability, while buyers will benefit from added scale, while taking advantage of transitional relief under Solvency II.

Insurers are among the main providers of income drawdown products, which generate a variable income for retirees by investing their pension savings. These products are an alternative to annuities, and have grown in popularity as a result of pension reforms in 2015. Income drawdown margins are lower than those on individual annuities, making them a scale play. However, their return on capital is aided by lower capital charges.

However, competition from independent asset managers such as Schroders and FIL Limited is strong in this area, but insurers' advantages include their long-standing pensions market expertise, their high-profile brand names, and their strong relationships with pensions-focused independent financial advisors ("IFAs"). And their role as workplace pension providers gives them an additional direct distribution channel for other products in accumulation or retirement phase.

### **Insurers reinforce their distribution networks**

The complexity regarding fiscal treatment introduced by Pension Freedom and the retail distribution review ("RDR") has made advice more expensive and created a meaningful gap in advice to the mass market. As a result, the ability to provide advice is becoming increasingly important, and some groups are investing more in their advice propositions through acquisitions (such as Old Mutual Wealth and Standard Life).

Firms such as Pru UK are also providing advice in the defined benefit to defined contribution market, which is growing as a result of pension freedom and attractive transfer values. Insurers also continue to explore smarter technologies, by considering the use of robo-advice as a way to fill the meaningful advice gap.

### **Platforms attract management flows**

Insurers are also increasingly building investment platforms, either directly accessible to customers ("D2C") or indirectly through intermediaries, in order to capture further asset flows. Platforms serve as a direct distribution channel not just for workplace pensions, but also for other products in the accumulation or retirement phase. However, margins are low meaning that building scale is critical and platforms are expensive to build, exemplified by the increased costs faced by Old Mutual Wealth in its UK platform transformation programme.

Insurers with scalable flexible platforms, such as Standard Life, Aviva, Aegon and Old Mutual Wealth are likely to capture more flows, whilst potentially boosting their margins by selling in-house investment funds.

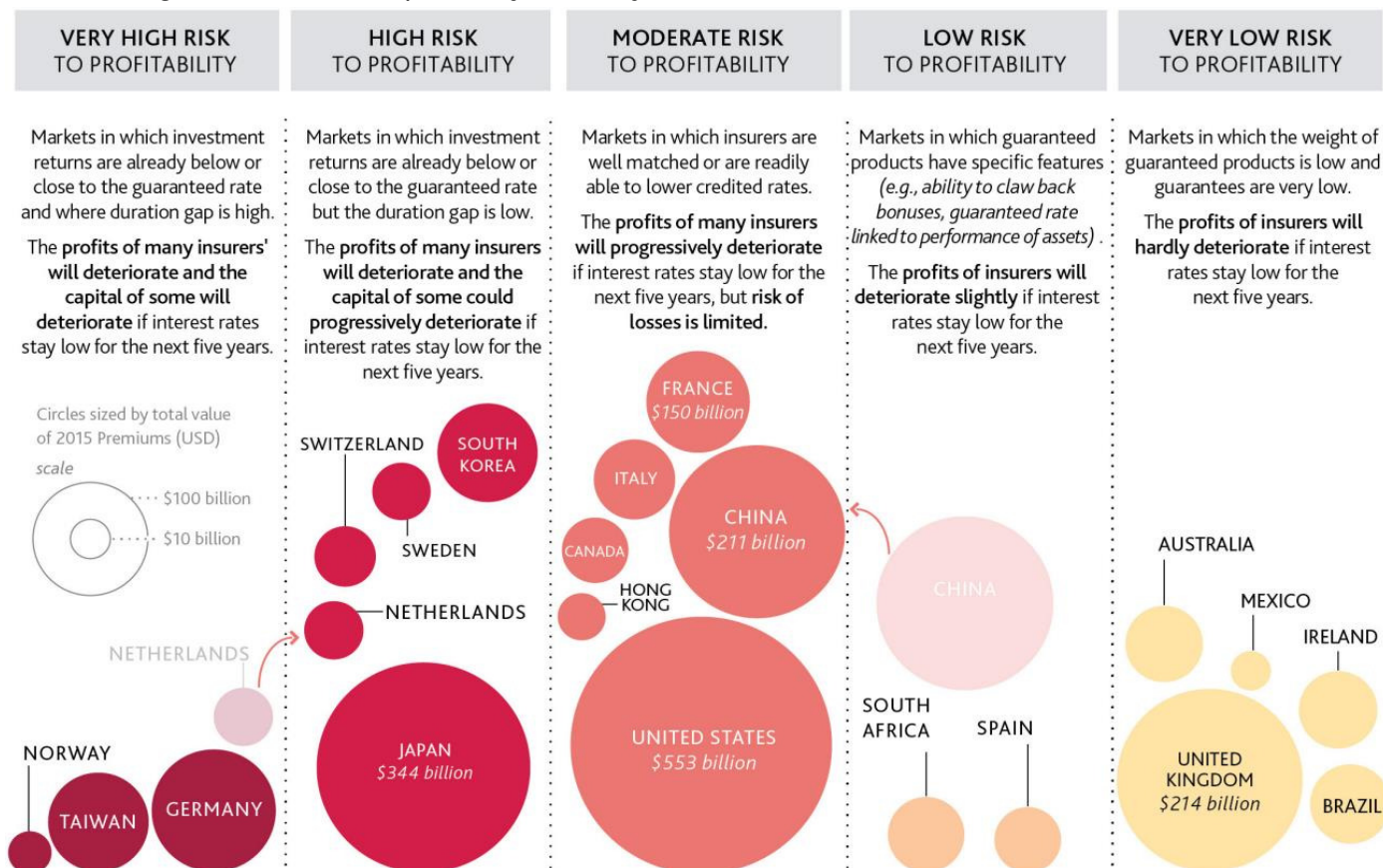
### **UK life insurers are less vulnerable to low rates**

A key advantage UK life insurers have over some of their European peers is that the majority of their reserves are unit-linked with no interest guarantees, and there is minimal duration mismatch between their annuity assets and liabilities. As a result, UK life insurers' profitability is much less vulnerable to interest rates staying low than that of their peers in countries such as Germany and Norway (see Exhibit 7).



Exhibit 7

**Low rates are a greater threat to insurer profitability in Germany than in the UK**



This assessment is made at the country level and mostly focuses on the direct impact of low interest rates on profitability generated by in-force policies. However, not all insurers in each country face the same level of risk. Moody's insurance financial strength ratings reflect the specificities of each individual insurer. Please refer to moody's.com for research on Moody's-rated insurers.

Source: Moody's Investors Service

Any spike in rates is also not a key risk as we consider the UK to be amongst the least exposed to surrender risk, as UK life insurers balance sheets include a lot of annuities, which cannot be surrendered, or with-profit products, with market value adjustments.

However, low yields - the 10 year UK government bond yield is only around 1% - will weigh on insurers' reinvestment yields compared to historic levels and suppress investment returns. Therefore, we expect the investment risk of UK life insurers to increase somewhat as they continue to broaden their asset bases in the search for extra yield. In particular, groups with annuity liabilities, such as Legal & General and Scottish Widows, continue to focus on increasing their exposure to long duration alternative investments including housing and infrastructure. Whilst increasing the illiquidity of their asset base, these types of investments also act as a match for their illiquid annuity liabilities. Legal & General's direct investments, lifetime mortgages and investment property, for example, represented around 19% (YE15: c.17%) of its non-profit/non-unit-linked assets.

**Solvency II capitalization is comfortable**

We use Solvency II ratios in our credit view of insurers not least because they determine the level of regulatory scrutiny companies attract, regardless of their value as indicators of insurers' financial positions.

UK life insurers reported YE2016 Solvency II ratios comfortably above the 100% threshold below which increased regulatory scrutiny is triggered (see Exhibit 8). We therefore view the risk of regulatory intervention on this front as low.



Exhibit 8

## UK life insurers - Reported Solvency II Ratios

Group	IFSR	YE2016 Solvency II ratio		Target Ratio	Transitionals
		Shareholder's View	Regulatory View		
Aviva Plc*	A1	189%	173%	150-180%	✓ for technical provisions
Legal & General	Aa3	171%	163%	> 140% <sup>1</sup>	✓ for technical provisions
Pru UK Life**	Aa3	163% (Shareholder-backed) / 179% (With Profits)	139%	130-150% (Shareholder-backed)	✓ for technical provisions
Royal London	A2	232%	153%	not disclosed	✓ for technical provisions
Scottish Widows	A2	160%	-	not disclosed	✓ for technical provisions
Standard Life	A1	214%	177%	not disclosed	✓ for technical provisions

The main difference between shareholder/investor view Solvency II ratios from the regulatory ratios, which are reported in SFCRs, is that the shareholder ratios exclude ring-fenced with-profit business and defined pension schemes, whose Solvency II ratios cannot be greater than 100% as the regulator ignores any surplus in these activities.

\* IFSR refers to the main operating entities

\*\* IFSR refers to the main operating entities of Prudential UK

[1] 140% level represents a threshold for increased monitoring

Source: Company reports and Moody's Investors Service

## Fully loaded Solvency II ratios less relevant

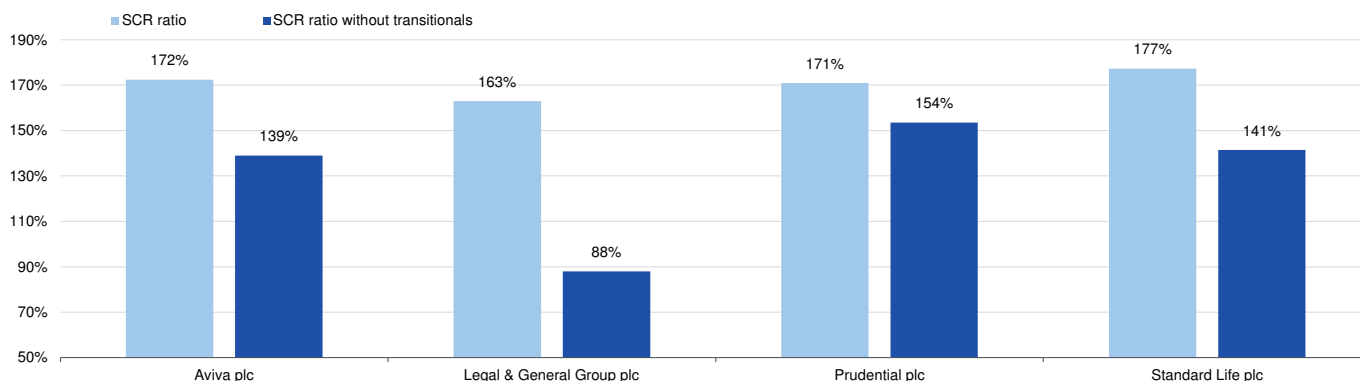
Recently published Solvency and Financial Condition Reports ("SFCR") confirm the UK life sector's significant reliance on TMTP, which at a group level enhance the Solvency II ratio by a straight average of 40% points (Exhibit 9), as well as the matching adjustment. The UK's PRA has confirmed the full capital benefit of TMTP when considering insurers' capital positions.

Economically, we place little emphasis on Solvency II ratios with transitionals, but we also view ratios adjusted for transitionals (aka "fully loaded") as a less relevant measure of economic capital for UK insurers for the following reasons:

- » *Risk margin*: it represents the cost of future capital in the "going" concern approach followed by Solvency II but more difficult to interpret in a "gone" concern approach. Especially high for UK annuity writers, and interest-rate sensitive, and the main reason for use of TMTP
- » *Long term risks*: Calibration of such risks faced by annuity writers is difficult but sometimes simplified under Solvency II
- » *Annuity books*: Solvency II ratios fail to adequately reflect UK life insurers' annuity books, which are by nature illiquid and long-term, and for which there is a good matching of assets and liabilities cash flows

Exhibit 9

## Impact of technical provision transitionals on UK-based life groups' Solvency II ratios as at YE16



Source: Company SFCRs and Moody's Investors Service

## Regulatory headwinds persist

With the overarching theme of fair treatment for customers, the UK life insurance industry is under significant regulatory scrutiny. We expect this to continue for some years, with a potential negative impact on margins.

### FCA probes highlight increasing vigilance on sector; potential financial and reputational damage

The outcomes of various ongoing reviews by the UK's Financial Conduct Authority ("FCA") could have negative financial and reputational consequences for UK life insurers. Specifically, as a result of the FCA's thematic review of non-advised annuity sales practices, Pru UK and Standard Life have already set aside provisions of £175 million at the end of 2016 although these amounts could be significantly reduced by reinsurance recoveries. The review is ongoing and there is significant uncertainty around the ultimate outcome.

The FCA also continues to investigate the behaviour of six firms in respect of the disclosure to customers of exit and paid-up charges after December 2008, following its thematic review of the fair treatment of long-standing customers.

#### ANNUITY COMPARATOR AND MORE REVIEWS SHOW FOCUS ON THE CUSTOMER

Other examples of the FCA's focus on what is best for the customer include the proposed introduction from September 2017 of an annuity comparator. Essentially, annuity providers will be required to inform their customers how much they could gain from shopping around and switching provider before they purchase an annuity. Whilst good for the customer, some insurers' margins will be further squeezed. The outcome of another FCA review – retirement outcomes which will assess how competition is developing in the retirement income market – could also negatively impact UK life insurers.

### Legislative change also a risk

There is also a risk within the UK life industry of changes in legislation impacting margins and flows as shown in the past by the decision to scrap compulsory annuities and reduce higher tax relief on pension contributions. Further changes to pension tax relief, for example, cannot be ruled out, including the taxing of pensions like ISAs which could have a very negative impact on pension flows.

### Further reduction in corporate pension charge cap is likely

Corporate pension profitability was further pressured in April 2015 by the 0.75% cap on auto-enrolment pension fund annual management fees. We think it is likely that this cap will continue to decline over time, further negatively pressuring the profitability of auto-enrolment schemes.

Further negative impact on insurers' profits and/or business practices could also result from the ability of Independent Governance Committees (IGC) to review charging structures. IGCs, which life insurers have had to set up and whose role is to represent the interests of scheme members, were introduced after an Office of Fair Trading market study found problems with the workplace pension market.

#### Outlook definition

Our stable outlook indicates our expectations for the fundamental credit conditions driving the UK life insurance industry over the next 12-18 months.

## Moody's Related Research

### Credit Opinions:

- » [Aviva Life & Pensions UK Limited](#)
- » [Legal & General Group Plc](#)
- » [Prudential Assurance Company Ltd](#)
- » [Royal London Mutual Insurance Society Ltd](#)
- » [Scottish Widows Limited](#)
- » [Standard Life plc](#)

### Industry Outlook:

- » [Life Insurance - 2017 Global Outlook - Low Interest Rates, Risk of High Volatility and Legislative Changes Turn Outlook To Negative \(1052338\)](#)

### Sector In-Depth:

- » [Despite Rise, Still-Low Interest a Threat To Profitability \(1059825\)](#)
- » [New Solvency II disclosure confirms transitionals significantly enhance solvency ratios; our credit view has not changed \(1074571\)](#)
- » [New Solvency II disclosure to provide insight, but unlikely to change our credit view \(1063377\)](#)
- » [Credit Impact of Brexit Will Be Modest and Manageable for Most UK Issuers If Shared Interest of UK, EU Underpin Deal \(1061120\)](#)
- » [UK Insurers' Asset Management Firms Set to Capitalize on Pensions Expertise \(1063211\)](#)

To access any of these reports, click on the entry above. Note that these references are current as of the date of publication of this report and that more recent reports may be available. All research may not be available to all clients.

## Endnotes

<sup>1</sup> Department for Work & Pensions

<sup>2</sup> Equity Release Council press release April 24 2017

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