



LV= interim chair, Seamus Creedon's message to LV= members

11 February 2022

Dear LV= members

This week the Board and I have announced several changes to the LV= Board of Directors and confirmation that LV= and Royal London are no longer in talks over a proposed merger offer. As I will be taking on the role of interim chair at the end of March, I felt it important that I personally update you on these latest developments. [Read more about these announcements here.](#)

As a mutual business we have been through one of the most important periods in our 178-year history. In December last year, we put the transaction with Bain Capital to members, and were sent a clear message when the proposals were not approved. Put simply, the value that many placed on ownership and voting rights, came above the financial advantages of the proposed transaction.

We have listened to members' feedback on the importance of retaining mutuality and membership, and a future for the LV= brand. With 10 years of experience of the mutual sector, my role is to rebuild the LV= Board to support LV= CEO Mark Hartigan and his leadership team so that they can continue to strengthen and grow our mutual business. With the executive search well underway, I hope to be in a position to confirm some of the new Board appointments shortly.

The strategic review in 2020 and proposed transaction with Bain Capital took place against the backdrop of a global pandemic and significant market uncertainty, and the review was clear that the transaction with Bain Capital represented the best financial outcome for our members.

During the voting process, both the Board and Mark expected that the LV= brand, business and people would be lost if the vote did not pass. However, in light of the improving business performance over the last 18 months, the Board has been able to be more considered in assessment of its future options, including that the proposed merger offer with another mutual would not be beneficial for our members.

LV= is in a very different place to where it was 18 months ago and I'd like to update you on some of the things that we have done to transform our business:

- Strengthened our leadership team with a new Chief Financial Officer, Chief Operating Officer and Chief Risk Officer;
- Repositioned our business to focus on targeting customers where the LV= brand and products are most competitive;
- Improved our products with enhancements to our smoothed investment range, income protection and critical illness products. These are proving very popular with financial advisers and their clients;
- Made good progress on our IT transformation including full delivery of a new Equity Release system;
- Ongoing IT investment plan that provides more certainty on the future investment needs of the business and enables careful management of our capital;
- Effective management of our expenses and cost base.

I can reassure you that we are appropriately capitalised and trading well. Your policies are secure and protected with all the same safeguards that you have always had. For our with-profits policyholders there is no change to the way we determine your mutual and exit bonuses.

The LV= Board has reviewed the options in front of it. The strength of LV='s business performance combined with its operational progress has allowed it to look at the business differently. As a result, the Board believes in the continuation of LV='s brand and mutuality and the opportunities this presents for our members, customers, employees and wider communities has strengthened.

LV= is a great business, you are proud of it, we are proud of it, and we're determined to build a successful future for today's members and the generations to come.

Seamus Creedon

