

LV= Savings and Retirement

Who we are, what we do,
and how we do it

For UK financial advisers only. Not to be shared with customers.



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Key business numbers for the LV= Group

as at 31 December 2023

£43m

Operating profit generation

9.3%

Main With-Profits Fund return

£35m

Operating capital generation

£107m

Profit before tax

£30m

Profit-related bonuses shared with members

£469m

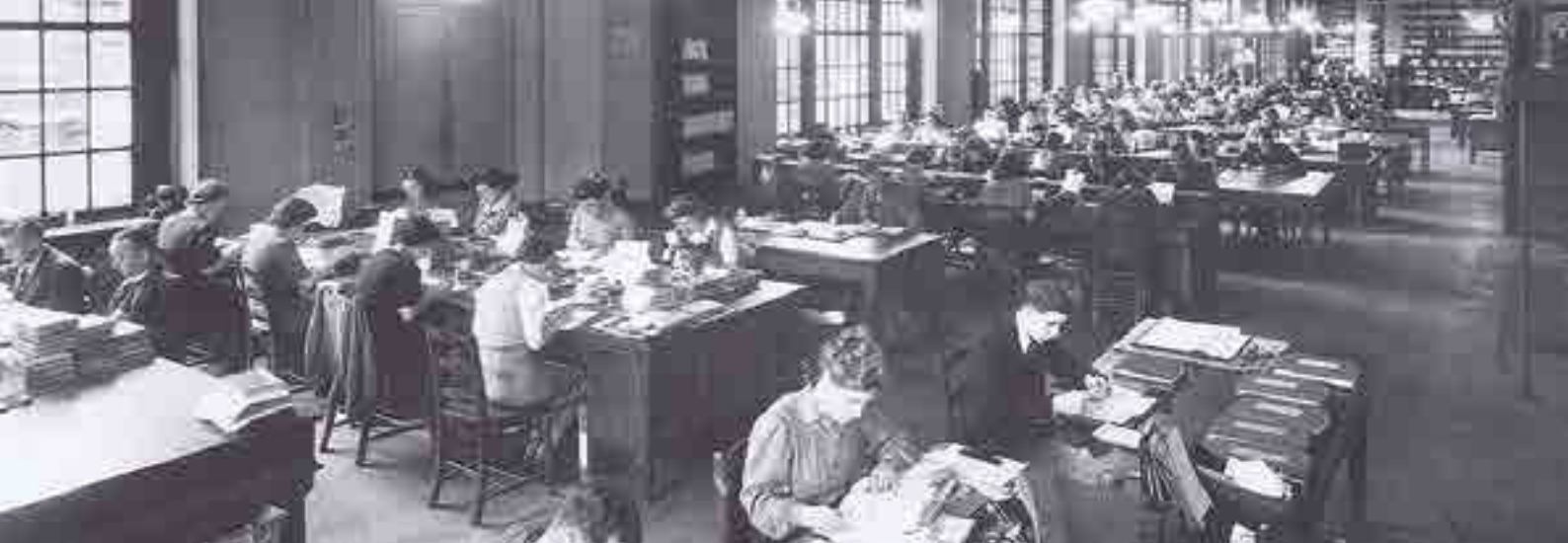
Solvency II capital surplus

1%

Reduction in total expenses

204%

Capital Coverage Ratio



Section 1 – About LV=

1.1 – History

We're proud of our roots and believe they're just as important today as they were back in 1843, when we were founded by William Fenton. We continue to help our members and customers protect their income while they are working and maximise it when they stop, empowering people to live financially confident lives.

We are an investment, protection, in-house advice and retirement specialist and one of the UK's leading life and pensions mutual insurers. We serve over one million members and customers offering a range of products and services.

Many of our members and their families have been with us for generations and benefit from our mutual ethos and member benefits.

Mergers and acquisitions

- 1885** – Liverpool Crown & Anchor Friendly Society
- 1903** – Liverpool Protective Assurance & Burial Society
- 1904** – New Era
- 1908** – General Friendly Collecting Society
- 1933** – Most Friendly Burial Collecting Society
- 1935** – City Mutual (Guernsey) Collecting Society
- 1935** – City Mutual (Jersey) Collecting Society
- 1944** – Hibernian Mutual Assurance Collecting Society
- 1952** – General Federation of Trade Unions Friendly & Collecting Society (GFTU)
- 1953** – Independent Burial Society
- 1954** – Withington Friendly Burial Collecting Society
- 1957** – Ardwick Union Burial Society
- 1963** – Keighley Samaritan Brief
- 1965** – Druids Burial Society
- 1996** – Frizzell
- 1997** – Landmark
- 2001** – Royal National Pension Fund for Nurses (RNPFN)
- 2001** – Permanent
- 2002** – Bishopscourt
- 2005** – UIA Life Businesses
- 2006** – ABC
- 2007** – Tomorrow
- 2007** – Britannia Rescue
- 2008** – Highway Insurance
- 2016** – Teachers Assurance

We serve over
1m
members and
customers



1.2 – Financial strength

Our financial strength is measured for LVFS Limited and includes the Savings and Retirement, Protection and Heritage businesses together with the Inherited Estate.

We don't have any separate financial strength ratings for our Savings and Retirement business.

In November 2023, LV= was rated B Outlook: Strong by AKG Financial Analytics.

Capital Coverage Ratio

To ensure the sustainability of the LV= Group, we monitor our Solvency II Capital Coverage Ratio. This measures the ratio of surplus capital that we hold above the capital requirement. At 31 December 2023, the LV= Group had a Solvency II Capital Coverage Ratio of 204% and available capital of £469m (see more on page 11 of the Annual Report).

Invested assets

Premiums and deposits from customers are invested in various investment assets such as equities, gilts, corporate bonds and property. At 31 December 2023, the LV= Group held £11bn of investment assets and cash (see more on page 72 of the Annual Report).

1.3 – Annual Report

Visit [LV.com/annual-report](https://www.lv.com/annual-report) to view our latest Annual Report.

1.4 – Location

Our head office is located in Bournemouth and we have three offices in total across the UK; Bournemouth, Exeter and Hitchin. Most of the administration and support for our Savings and Retirement business is based in our Hitchin office.

1.5 – Our colleagues

We operate a talent management process which reviews talent in the business. Twice a year we look to identify gaps which might be filled by either internal development or external hire. Succession planning is a key activity within the business at all levels.

1.6 – Distribution strategy

LV= Savings and Retirement offer a range of products aimed at the 'at and post retirement' market which are distributed through financial advisers.

We have a clearly defined target market and strive to ensure our products remain current and relevant for our customers and their advisers.

We provide access to a range of tools and support as well as online access to valuations and services. These are all designed to make it easy for customers to understand and for advisers to transact.

As a savings and retirement specialist we're able to offer flexible investment and income planning options for clients both approaching, and in, retirement. Our flagship Smoothed Managed Fund range offers customers a low volatility investment solution. Our offering includes an off platform Pension, ISA, Bond and Trustee Investment Plan, as well as on platform Pension, ISA and GIA* through LV= Platform Services.

*Smoothed Managed Funds are not accessible through the LV= Platform Services GIA.

1.7 – Awards and ratings

Moneyfacts SIPP Five Star rating

Since the Pension/SIPP ratings were launched in 2015, our SIPP (Flexible Transitions Account) has received a five star rating every year. Moneyfacts use over fifty fields of information for each product they rate and products are regularly reviewed in the event of market changes. A five star rating shows we offer a strong and robust product that gives consumers and advisers the ability to choose a SIPP product that most suits their needs in terms of quality and value.

Defaqto Gold Service rating

In 2024, we were once again awarded a Defaqto Gold Service rating. This rating recognises the excellent level of service that we provide for our pension.

Financial Adviser Service Awards

In 2023, we were awarded four star ratings in both the investments, and life and pensions categories. These awards are voted for by advisers who experience our service first hand.



Section 2 – Regulation and governance

2.1 – Directors

Our Board is comprised of a Non-Executive Chair, two Executive Directors (the Chief Executive and Chief Financial Officer) and five independent Non-Executive Directors.



Simon Moore

Chair

Date of appointment: 17 June 2022

Simon has over 30 years' experience in financial services. He began his career as a credit analyst, specialising in insurance at Lloyds Banking Group and went on to join the global insurance team at Chase Manhattan Bank in London and New York in 1994. He was later appointed regional director for the corporate banking business at Barclays Bank (South-West of England and Wales) in 2004. He spent three years as the Confederation of British Industry (CBI) international director and as a member of its management board. In 2022, Simon completed a ten-year term as a director at Cambridge and Counties Bank. He has also been a governor at the University of the West of England, a non-executive board member of the Government Office of the South-West and chairman of Pennant International Group PLC. As well as LV= Chair, Simon has recently been appointed chair of WH Ireland plc and chair of Principality Building Society. Simon intends to step down from his current chair appointments at RCI Bank UK, the UK arm of the French bank RCI Banque Groupe, and PCF Bank Group plc during 2024.



David Hynam

Chief Executive

Date of appointment: 26 September 2022

Date of appointment to the Board: 24 October 2022

David has spent over 30 years in the financial services and insurance sector. He began his career at Barclays in 1992 working in a variety of roles before becoming chief operating officer at Barclays' Offshore business. He joined AXA UK in 2001 in a senior operations role, ultimately overseeing operations for the UK and Ireland. When Resolution acquired the majority of the UK life business from AXA, merging the business with the Friends Provident business to create Friends Life, David joined Friends Life as group chief operating officer, leaving as UK chief executive officer in 2013. He joined Bupa UK in 2014 and led the transformation agenda for the UK business as well as running the health clinics division. His most recent role was as chief executive officer of Bupa's UK and Global markets, which included all the UK businesses and international health insurance. David is also chair of HomeServe Membership Limited.



Stephen Percival,

Chief Financial Officer (CFO)

Date of appointment: 22 June 2023

Stephen has enjoyed a successful career in financial services and has extensive life insurance experience from 25 years in the industry. He has held a wide range of senior finance roles including CFO of Standard Life's insurance business and CFO of the life businesses within the Phoenix Group. He also has international experience gained from working in China, India and Canada. Stephen is also director of The Aquila Foundation.

Non-Executive Directors

Natalie Ceeney CBE, Senior Independent Director

Colin Ledlie, Non-Executive Director

David Rogers, Non Executive Director

Susan McInnes, Non-Executive Director

Suzy Neubert, Non-Executive Director

Details of all biographies can be found in the Annual Report or at [LV.com/board-members](https://www.lv.com/board-members)

2.2 – Complaints

As an authorised and regulated group of companies we comply with all relevant FCA rules relating to complaints.

You can view our complaints data at

[LV.com/contact-us/complaints/complaints-data](https://lv.com/contact-us/complaints/complaints-data)

2.3 – Financial crime

A group-wide policy sets out the financial crime legislative and regulatory requirements. This covers bribery and corruption, fraud, financial sanctions, money laundering, terrorist and proliferation financing, corporate facilitation of tax evasion and insider dealing and market abuse.

We are committed to complying with the policy through application of a risk-based approach to deter, detect, prevent and report financial crime.

To support compliance we utilise industry guidance, such as, but not limited to, the JMLSG (Joint Money Laundering Steering Group) in relation to the prevention of money laundering and terrorist financing and PSIG (Pension Scams Industry Group) Code of Good Practice in relation to protecting customers from pension scams in addition to the Financial Crime Guide produced by the Financial Conduct Authority (FCA).

2.4 – Risk management

We operate a fully integrated risk management framework we call the LV=RM. This framework brings together the key processes and activities undertaken throughout the business to ensure that our members' and customers' security is at the forefront of our decision making. Structuring engagement, risk management and our values around this framework enables senior management to demonstrate that the right things are being done to manage risks within the business.

We operate a three lines of defence model as part of our day-to-day risk management operations, as prescribed within the Board approved risk mandate. The Board delegates much of its oversight of risk matters to the Risk Committee, which together with the Executive Risk Committee, the Chief Risk Officer and the Risk Management teams, ensures that the business is operating in line with the requirements of the LV=RM.

We conduct an annual risk maturity assessment to gauge the effectiveness of the embedding of the LV=RM. The outputs from this assessment are used to determine areas for further development under our programme of continuous improvement.

2.5 – Risk management policy

See more information on our Risk Policy on pages 15 - 18 of the Annual Report.

2.6 – Compliance

As mentioned previously, we operate a 'three lines of defence' model. Each business unit is responsible for managing first line regulatory risks with oversight, assurance, advice and policy provided by second line Compliance. They also provide assurance and testing of controls. Group Internal Audit sits in the third line providing independent assurance to the board that the Group has appropriate controls in place to manage all of its risks (including regulatory).

2.7 – Business Continuity Framework

Our Business Continuity policy is guided by ISO 22301: 2019 and the Business Continuity Institute's Good Practice Guidelines 2018. The policy is underpinned by our Business Continuity Management Minimum Standards. Our Business Recovery Plans (BRP) are held on a third party, independent system to ensure accessibility, and are reviewed every 12-18 months depending on their criticality. Our BRPs include key information such as: resource needs, application requirements and recovery procedures.

2.8 – Governance

Business Continuity is the responsibility of the Business Resilience team, which is accountable to the Director of Operational Resilience, reporting directly to the Chief Operating Officer. The members of the team are qualified BC practitioners and affiliated with the Business Continuity Institute.

Each business area has a BRP with Business Continuity Representatives (BCRs), who are the plan owners. BCRs are responsible for updating their plans and tailoring them to provide the necessary information that may be needed in the event of an invocation.

Our Operational Resilience and Business Continuity frameworks work in conjunction with our Risk Management System, ensuring that appropriate controls are in place across the business and tested on a quarterly basis. Additionally, this allows open actions from audits, assurance activities, incidents and exercises to be managed and tracked.

2.9 – Recovery Capabilities

Our Incident Management (IM) framework supports a gold, silver and bronze response to any unplanned disruption. We have IT IM teams, Business IM teams, a Crisis Management team and key Strategic Support Units, such as Communications. We utilise an emergency notification system to keep our key stakeholders and colleagues informed.

With three main office locations and a hybrid working system, we can utilise work from home and alternative offices should an incident occur resulting in a loss of premises.

We have a prioritised ITDR timetable which covers our critical systems, including those managed by our technology partner, Hexaware.

Awareness of BC practices, including colleagues' roles in an incident, is conducted on a regular basis and all colleagues must complete a mandatory BC module annually.

We have eight Important Business Services identified in line with Operational Resilience regulations and have set impact tolerance thresholds we can adhere to in severe circumstances. This ensures we can continue to provide our critical services in line with our stated timelines.

2.10 – Testing and Exercising

We conduct severe resilience exercises four times a year, targeting important business services across the business and at different levels of management. Any lessons learned from exercises are tracked through the monthly Business Resilience Forum.

We use an emergency notification system to conduct annual call tree tests and it is available for use during incidents. The latest emergency notification test was conducted in January 2024.

2.11 – Supplier Resilience

Our material suppliers have assurance conducted as part of the onboarding process. Those supporting critical processes have an exit plan and must have a tested BC Plan to recover the services being provided.

Ongoing assurance is conducted to ensure they adhere to the conditions in their contract. We have a dedicated Supplier Resilience Manager to support the Supplier Managers and ensure resilience issues are prioritised.

2.12 – FSCS protection

We're covered by the Financial Services Compensation Scheme (FSCS). The amount of compensation payable varies and depends on the type of product in line with the Financial Services Compensation Scheme limits.

Section 3 – Sales and administration

3.1 – Sales team structure

Our Sales Division is structured to support financial advisers across the UK. We have 13 regional teams and a specialist Equity Release Sales team within our business, in addition to sales support functions in Hitchin.

We are structured this way to provide full product and technical support to financial advisers across our product and investment range.

3.2 – Service Level Agreements

Pre-sale

- We aim to issue pre-sale quotations within 24 hours of receipt.
- Some quotations are available for financial advisers to self-serve 24/7. We can set this up and provide support in the process.
- Quotes can be requested by emailing LVquotes@LV.com

New business

We aim to:

- process a new application within two working days
- process Pipeline Management initially within two working days and then according to individual circumstances
- process the setting up of the plan (pay TFC, fees) within seven working days, or sooner where possible.

Servicing

We aim to:

- process Drawdown payments within 15 working days (once all outstanding requirements are met and funds received)
- process fund switches, internal/external sales and purchases within two working days (subject to them being a permitted investment)
- process all general servicing queries within 15 working days
- process transfer out requests within 10 working days (once all outstanding requirements are met and funds received).

3.3 – Quality assurance

All critical items will be checked by a second person.

This includes:

- new applications once they have been inputted onto our system
- all investments placed
- all payments out of the plans which are also authorised by a payment signatory in the business
- all claims processes
- telephone calls which are recorded, and quality assurance checks are completed on a regular basis with feedback given.

3.4 – Plain English

We adopt a plain English approach to all our communications and our literature undergoes a stringent internal sign off process. All our formal documentation is written by our experienced technical team who have been trained in plain language techniques. This team also undertakes a rigorous review of all promotional material that support our products to ensure they meet our TCF criteria.

Post suitability research is carried out on a regular basis with our customers to ensure that literature is clear, product information is easy to understand and that our products meet customer expectations.

Communication

The Savings and Retirement business favours email communication direct to the adviser. When asked to, we can work directly with the customer once a plan is set up.

Throughout the new business process the adviser will receive update emails from us advising what outstanding information is required, when funds are received and when PCLS (if applicable) and income (if applicable) is paid out.

3.5 – Online servicing

We offer a unique and differentiated multi-menu approach combining off-platform and platform propositions to offer choice and optionality to advisers and their clients.

Advisers can access our proposition, including our unique Smoothed Managed Funds in a way most suited to their business and the needs of their clients.

Our newly upgraded Savings & Retirement Adviser Portal enables advisers to manage all their business with LV= in one place with a single view of client holdings. Through the portal advisers can choose from

- Packaged Solutions for simple low-cost solutions and guaranteed products.
- LV= Platform Services for an extensive fund universe and a wide range of model portfolios.

Client access is provided via our customer portal, My LV=, where clients can view and manage all their LV= accounts in one place, view and download valuations and access copies of their documents via their personal document library.



Section 4 – Our reports

4.1 – Annual Report

You can find more details about LV= in the 2023 Annual Report.

The full Report is available at [LV.com/annual-report](https://lv.com/annual-report)

The Report contains information about our company finances, including full audited accounts, as well as our company strategy and Corporate Governance, along with a review of all the sectors of the business.



4.2 – Sustainability Report

Sustainability is an integral part of the way we do business.

Our Report aims to share with our members, customers, advisers and other stakeholders our approach and what we're doing at LV= to tackle environmental, social and governance (ESG) issues.

Our sustainability strategy focuses on three core pillars that we believe are essential foundations in helping our members and customers for many generations to come.

- Safeguarding our Environment
- Sustainable Mutual
- Trusted and Thoughtful Provider

Read our full 2023 Sustainability Report at [LV.com/lvcares](https://lv.com/lvcares)

Contact us

Our Business Development Managers will be happy to talk through our Smoothed Managed Fund range and individual products. Speak to your usual LV= contact, or



0800 032 8298



advisersupportteam@LV.com



LVadviser.com/smoothed-investments

Lines are open 9am – 5pm Monday to Friday. Calls will be monitored and/or recorded for training and audit purposes.
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If you'd like us to send you this document or any future correspondence in another format, such as Braille or large print, please just let us know.

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