

ANNEX I:

The FSA's approach to the evaluation of schemes in general

117. The FSA has been given a wide range of rule-making, investigatory and enforcement powers in order to meet its statutory objectives. The FSA has laid down a handbook of rules and guidance ("**the Handbook**") for all authorised firms carrying out business in the UK. Chapter 18 of the supervision manual ("**SUP 18**") included in the Handbook contains rules and guidance on matters relating to transfers of insurance business pursuant to Part VII of FSMA 2000: a copy of SUP 18 is attached at **Annex IV**.
118. The FSA, in considering the Scheme, as with all such schemes, is concerned with whether what is proposed is fair to the generality of policyholders and consistent with the FSA's statutory objectives under section 2 FSMA 2000. The objective of securing an appropriate degree of protection for consumers (set out in Section 5 FSMA 2000) is particularly relevant to the FSA's evaluation of schemes of this kind.
119. Policyholders should not rely on the FSA's conclusions in deciding whether the Scheme is in their own individual interest. The Handbook at SUP 18.2.5G makes it clear that it is for policyholders to make their own assessments. The FSA's concern is to ensure that policyholders have appropriate information.