

Secondary Annuities Market – Legal Consideration

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Regulatory Issues

- **Financial Conduct Authority**
 - Still Working on rules and regulations
 - Two consultation papers published so far
 - Secondary annuity market – proposal rules and guidance
 - Pension Wise standards: charges for secondary annuity market guidance
 - Who needs to be regulated?
- **Treasury**
 - Preference for annuitants to sell 100% of their annuities
 - Increases tax revenue
 - Potential carrier benefit
 - Is this in the annuitant's best interest?
 - Should partial sales be allowed?
 - Still awaiting further guidance

Potential Carrier Issues

- Carrier not agreeing to cooperate/participate
- Carrier competition
- Negotiating Terms & Conditions
 - Mortality tracking
 - Deal structure
 - Indemnification
- Government carrier to perform certain obligations which might have a chilling effect on the market
 - Contingent beneficiaries

Summary

- Still a fluid situation
- Rules/Regulations could diminish competition
- Need successful negotiation with the carriers to create a viable way forward