

Administration Update

Changes to Capital Protection Fund

Change to availability of the Capital Protection Fund in Irish Life Corporate Business (ILCB)



From 23 January 2015 the Capital Protection Fund is closed to new Single Premium investments and Transfer Value and no longer available as an option to switch existing ILCB pension investments into.

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- closed to new Single Premium investments and Transfer Values
- no longer available as an option to switch existing ILCB

pension investments into

These changes apply to all ILCB Defined Contribution, Additional Voluntary Contribution, Personal Retirement Bond and Defined Benefit products.

Existing Investments & Regular Contributions

Existing funds invested in the Capital Protection Fund are not impacted by this change. The fund will continue to remain open to future regular premium investments from existing and new clients of Corporate Business.

If transferring to a Personal Retirement Bond with Corporate Business, ILCB clients will be able to maintain any existing holdings in the Capital Protection Fund at the time of the transfer.

Investment Strategies ('Lifestyling')

The change does not impact investment strategies where clients' pension fund assets are moved into the Capital Protection Fund on an automated phased basis as they approach their retirement dates. Where the Capital Protection Fund is part of an investment strategy, these switches will continue to take place in the future.

Why has this change been made?

This fund is a 'smoothed' fund that gives investors some protection against the volatility of the underlying investment markets. The smoothed nature of the fund means that it operates most effectively when there are a series of regular flows and where clients remain invested over a medium to long term time horizon. In the recent past there has been a material increase in the level of requests received by Irish Life to switch pension funds into the Capital Protection Fund. This increased switching activity could potentially undermine the efficient operation of the fund and therefore Irish Life has chosen to close the fund to such flows.

Further information on the Capital Protection Fund and details on the changes and how they impact the ILCB product range are available at the link below:

[Changes to the Capital Protection Fund](#)

Other news

Great-West Lifeco's Q4 results

Great-West Lifeco Inc. (Lifeco) has reported its results for the fourth quarter and the full year ended 31 December 2014.

Great-West Lifeco Inc. (Lifeco) has reported its results for the fourth quarter and the full year ended 31 December 2014. View the full release [here](#).

In its first full year as a subsidiary of Great-West Lifeco, Irish Life generated strong results, contributing Euro €184 million (CAD\$261 million) to Lifeco's earnings for the year ended December 2014.

Irish Life's earnings for the three months ended 31 December 2014 were Euro €49 million (CAD\$70 million), Irish Life's second strongest quarter since it was acquired by Great-West Lifeco in July 2013. This represented a 94% increase, up from Euro €25 million (CAD\$36 million) in Q4 2013.

The Irish Life integration programme continued throughout 2014, with annualised synergies of €40.8 million or 102% of the expected total achieved by year end. Lifeco now expects to exceed the original €40 million synergy target by at least 10%.

Bill Kyle, Chief Executive Officer, Irish Life Group commented: "I have been involved in many integrations and this one had some very challenging and unique aspects to it. I would like to congratulate all Irish Life staff for their contribution to a very successful integration that saw the company improve customer service levels, significantly exceed all integration targets and add to our market leadership in each of our business segments – retail, corporate and investments."

"While focused on integration, our business continues to grow. Overall we now have more than one million customers, €56 billion of assets under management and 2,200 employees," he said.

During the year 2014 Irish Life generated Euro €397 million (CAD\$564 million) of Great-West Lifeco's fee income.

A highlight of the fourth quarter was the continued success of Irish Life's Multi-asset Portfolios (MAPs) funds, with over €3 billion now invested.

Mr Kyle noted, "Our €60 million integration programme is nearing completion, with 69% of the investment incurred as of 31 December. We expect the Canada Life business to be fully integrated with Irish Life, ahead of target, in April 2015."

Fitch upgrades Irish Life to AA-

Irish Life moves up one notch



We've welcomed the decision by Fitch Ratings to upgrade Irish Life Assurance plc (Irish Life) one notch, to AA- from A+.

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The upgrade of Irish Life's rating reflects Fitch's view that Irish Life has become 'very important' to its parent company, Great-West Lifeco Inc.

Previously, Fitch viewed Irish Life as being 'important' to its owner. Great-West Lifeco's ownership of Irish Life has resulted in a two-notch uplift in Irish Life's IFS rating to AA- from its stand-alone assessment of A.

Commenting on the upgrade, Bill Kyle, CEO of Irish Life Group said: "We are pleased that Fitch recognised the progress made in recent months and in particular has noted that the upgrade reflects Irish Life's strong standalone capitalisation, comparatively low-risk business and strong market position."

Fitch also noted that Great-West Lifeco's acquisition of Irish Life has been well managed and has provided the company with critical scale in the Irish market as well as operational synergies and expense savings. The acquisition has moved Irish Life to the top position in Ireland with a market share greater than 30%.

Irish Life contributed CAD191 million to Great-West Lifeco's net earnings in the first nine months of 2014. Fitch commented that any execution risk had been mitigated in part by Great-West Lifeco's existing knowledge of the Irish market and by its track record of supplementing growth through acquisitions.

Appointment of Sandra Rockett to the Government Pensions Council

We're pleased to announce that Ms. Sandra Rockett, Director of Business Development at Irish Life Investment Managers, has been appointed to the newly formed Pensions Council.



The unpaid council has been established by the Department of Social Protection to help strengthen the pensions environment and give consumers greater input into pension policy.

We're pleased to announce that Ms. Sandra Rockett, Director of Business Development at Irish Life Investment Managers, has been appointed to the newly formed Pensions Council. The unpaid council has been established by the Department of Social Protection to help strengthen the pensions environment and give consumers greater input into pension policy.

Ms. Rockett, who is an actuary by profession, has been chosen along with six others to sit on the council, along with Chairman Mr. Jim Murray.

The function of the Pensions Council is to advise the Minister for Social Protection on matters of relevance to pensions, with a particular focus on policies to support the sustainability and adequacy of pension provision. It will represent and protect the consumer and ensure that the system has a far stronger consumer focus.

Membership of the Council has been constituted to ensure the relevant skills, specialist knowledge, and experience is in place to allow for the provision of collective advice, information and assistance in the development of pensions policy.

The Council was established in 2013, as part of a range of changes introduced to strengthen governance and regulation of the country's occupational pensions and give consumers greater input into pensions policy. The changes included a newly-structured Pensions Authority and Pensions Regulator. The Pensions Board was renamed the Pensions Authority and split into two bodies – a three person Pensions Commission, and a separate unpaid Pensions Council.

The Council will also include: representative of the Department of Social Protection - Helen McDonald; the Pensions Regulator - Mr Brendan Kennedy; member nominated by the Minister for Finance as a representative of the Central Bank - Marie Louise Delahunty; and member nominated by the Minister for Public Expenditure and Reform as a representative of the Department of Public Expenditure and Reform - Peter Brazel.

Irish life Assurance plc is regulated by the Central Bank of Ireland.

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