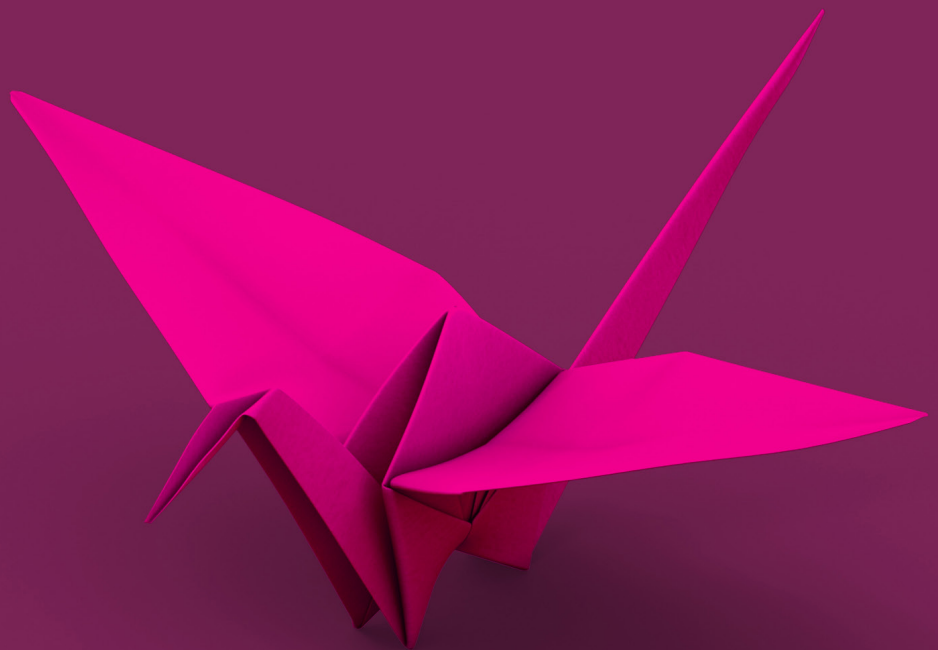


Summary Funding Statement

For members of the Royal & SunAlliance UK Pension Scheme 2002 (“the Scheme”)

November 2024



Dalriada.
A better way

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Introduction



Vassos Vassou

Director of
Dalriada Trustees

Hello and welcome to the 2024 Summary Funding Statement, providing you with an update on the Scheme. In this Summary Funding Statement we will report on important financial information including the funding position of Royal & SunAlliance UK Pension Scheme 2002.

Dalriada Trustees are the Trustees of Royal & SunAlliance UK Pension Scheme 2002 (referred to as the "Scheme"). As Trustees, we are responsible for making sure there is enough money in the Scheme to pay everyone's benefits.

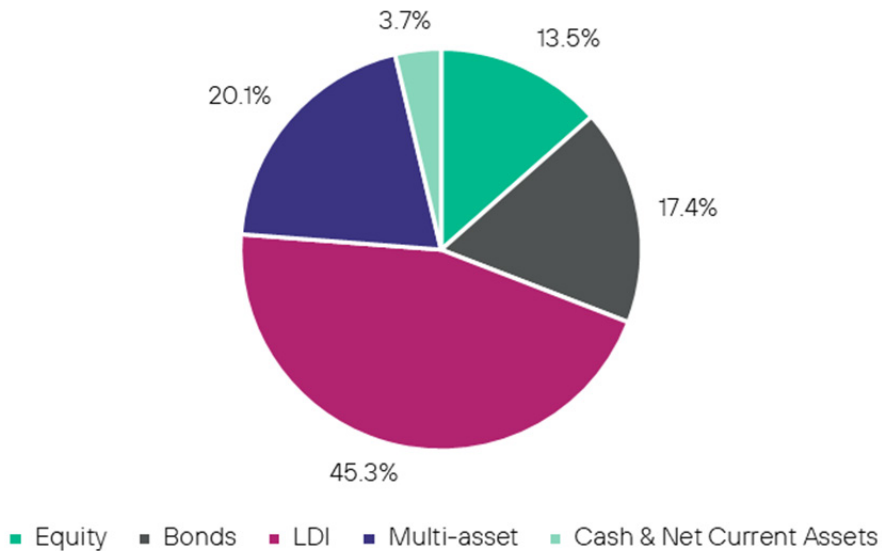
This statement sets out the Scheme financial position following the annual update as at 31 December 2023.

We hope you find this Summary Funding Statement informative. If you have any questions, contact details can be found on page 9

1 Our investments

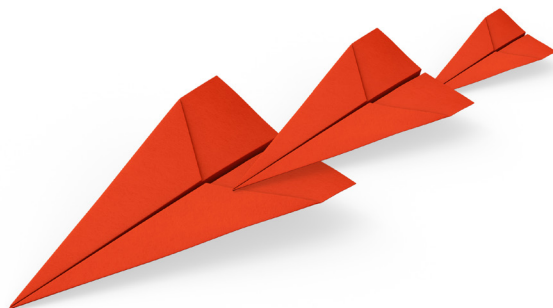
The money that has built up in the Scheme is known as its “assets” and the way that the assets are invested is an important part of keeping your benefits secure. The day-to-day management of the Scheme’s assets is delegated to a number of experienced investment managers and the Trustees review the investment strategy and monitor the investment returns on a regular basis. The Trustees take a long-term view, bearing in mind that payments from the Scheme will continue for a long time into the future.

The Scheme’s assets were invested as follows at 31 December 2023.



Source: Scheme asset summary as at 31 December 2023 was obtained from the Scheme’s audited Trustee Report and Accounts.

Further details regarding the investment strategy are contained in our statement of investment principles, which you can view online here: <https://www.dalriadatrustees.co.uk/wp-content/uploads/2024/02/Royal-and-Sun-Alliance-2024-SIP-fnal.pdf>



2 Summary Funding Statement

Every year the Trustees report to you on how the Scheme is funded. As members, you have built up valuable benefits in the Scheme, so it is important for you to understand how the Scheme will pay for those benefits in the future.

Actuarial valuation and funding update

We have appointed a qualified, independent professional, known as an Actuary, to help us regularly review whether the Scheme has enough money and whether RSA Insurance Group (the "Employer") needs to pay more. This review is called an actuarial valuation and is carried out at least every three years. Our Actuary also reviews the financial position of the Scheme every year so that we can understand how changes in financial market conditions are affecting the Scheme.

The last completed full triennial valuation of the Scheme was at 31 December 2022 and we also had an annual update as at 31 December 2023. To check the Scheme's financial security we look at its financial position and compare the value of its liabilities to its assets. 'Liabilities' are the estimated cost of providing the benefits you and other members have earned to date. If the Scheme has fewer assets than liabilities, it is said to have a "shortfall". If the assets are more than the liabilities, there is said to be a "surplus".

As shown in the table on the right, the value of the Scheme's liabilities reduced over the year to 31 December 2023. This was due to an increase in interest rates, which are used to assess the value of the liabilities. The Scheme's assets saw positive returns over the year. The overall funding position has therefore improved.

The next full actuarial valuation of the Scheme will be carried out as at 31 December 2025.

Results (£'000)	31 December 2023 Funding Update	31 December 2022 Formal Valuation
Scheme assets (A)	11,752	11,489
Value of Scheme benefits ('liabilities') (B)	9,860	10,1669
Surplus/(Deficit) in the assets (B-A)	1,892	1,323
Funding level (A ÷ B)	119%	113%

EMPLOYER CONTRIBUTIONS

Your scheme is sponsored by RSA Insurance Group ('Employer'). As the Scheme is currently in a surplus, the Employer is making no contributions to the Scheme in relation to deficit repairs.

In addition, the Trustee has agreed with the Employer that the expenses of running the Scheme including the payment of levies can currently be met from the Scheme.

3 How secure is my pension?

As you can see, the Scheme has enough assets to pay all of the Scheme benefits built up. You should be aware that the funding level can vary as a result of a number of different factors, particularly investment performance, interest rates and life expectancy. This means that the funding level can go up or down in the future. The Trustees and Scheme Actuary will regularly monitor the Scheme finances and take steps to improve the security of your benefits further where possible.

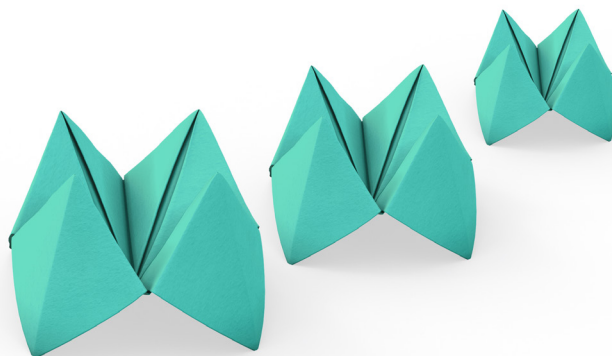
What would happen if the Scheme were to wind up?

If the Scheme were to wind up and the Employer was solvent, the Employer would be obliged to pay sufficient money into the Scheme to ensure that members' benefits could be secured in full by the purchase of annuity policies. However, if the Employer could not pay the full amount required, then it is possible that the Scheme could transfer to the Pension Protection Fund (PPF).

The actuarial valuation includes a test of whether the Scheme could afford to secure all of its benefits with an insurance company, for example if the Scheme were to wind up. As at 31 December 2022, it was estimated that the Scheme is fully funded if it were to "wind up". We are legally bound to disclose to you this figure – it does not imply in any way that the Employer is thinking of terminating ("winding up") the Scheme.

The Pension Protection Fund

If the Employer becomes insolvent and there is not enough money to buy all the benefits with an insurance company, members may be protected by the PPF. The PPF is a government body which provides a safety net for all members but would pay lower benefits than the Scheme would. For more information on how and why a pension scheme enters the PPF, and the benefits that members would be entitled to, please visit the PPF's website at www.pensionprotectionfund.org.uk.



4 Developments in pensions

Inflation and the cost of living crisis

Annual inflation has decreased over recent periods. Most benefits provided in the Scheme offer some inflation protection. The increases that you receive in payment will depend upon when you built up benefits. The increases you receive prior to retirement between the date you left the Scheme and up to retirement, mostly increase in line with inflation subject to limits set out in legislation. The impact of the current levels of inflation will vary by member depending on when you choose to retire and when you built up your benefits in the Scheme.

As Trustees, we continue to be aware of the current cost of living crisis in the UK. If you have any questions around your benefits, please contact the Scheme's administrator using the contact details below. More widely, the Trustees encourage you to check you are claiming all the government support you are eligible for by checking this website: www.gov.uk/benefits-calculators.

Minimum retirement age

Normal Minimum Retirement Age (NMRA) is the minimum age at which the government will allow you to take your pension benefits (other than on ill health grounds), without incurring additional tax charges.

The NMRA is currently age 55. The government has confirmed that the NMRA will be increased from age 55 to age 57 on 6 April 2028. After this date you will have to wait until your 57th birthday to take your benefits.

Changes to the lifetime allowance (LTA)

The LTA was a maximum limit on the amount of your pension benefits that you could receive in retirement without incurring additional tax charges. This was previously set at £1,073,100 in the 2023/24 tax year. However, the government has abolished the LTA for most purposes from 6 April 2024 and replaced this with a number of lump sum allowances instead. If you think that this might impact you we recommend that you seek independent financial advice and further information on this is given below.

Mid Life MOT

The Department of Work and Pensions (DWP) has launched an online mid-life MOT tool. It aims to help workers over age 45 take stock of their finances, skills and health.

Based on your answers to a short series of questions, the tool will provide you with a bespoke report outlining areas you could focus on and where to find further information and support to meet your needs. You won't need any documents or extra information to use the tool and it should take around 5 minutes. The tool is free and available at www.moneyhelper.org.uk/en/everyday-money/midlife-mot

Expression of wish form

Have you completed an expression of wish form? This tells us who you would like to inherit your pension benefits should you die before retirement. There are some conditions on who can be nominated however the Trustees will take your wishes into consideration. The form can be updated at any time should your circumstances change. You can obtain a copy of the form by contacting the Scheme's administrators using the details on page 7.

Delegating control

Have you considered how you or your family would manage your financial affairs if you couldn't carry out everyday tasks for yourself? A power of attorney is a legal document that allows someone to make decisions for you, or to act on your behalf, if you're no longer able or no longer wish to manage your own affairs.

There are different types of power of attorney and you can set up more than one. However, you can only do this while you still have capacity, so you'll need to plan ahead. You can find out more at www.gov.uk/power-of-attorney or you can get advice from a solicitor.

Protecting yourself against pension scams

It is important to know the warning signs when it comes to pension scams. Often scammers will try to persuade pension savers to transfer their entire pension savings, or to release funds from your savings, by offering incentives such as higher returns or releasing cash before age 55.

What to look out for	Help and advice
<ul style="list-style-type: none"> – Calls, texts or emails from unknown numbers or email addresses – Phrases such as “free pension review”, “pension liberation”, “loan”, “cashback” – Guarantees that they can get you better returns on your pension savings – Help to release cash from a pension before the age of 55, with no mention of the tax implications – Complicated or unusual, high-risk investments 	<ul style="list-style-type: none"> – The Government’s Pension Wise service (provided by MoneyHelper) explains your options at retirement: www.moneyhelper.org.uk. – Speak to an adviser authorised by the Financial Conduct Authority (FCA): https://register.fca.org.uk. – Visit the Pensions Regulator website for more information on pension scams: www.thepensionsregulator.gov.uk – If you think you have been a victim of a scam, please report it to the FCA on 0800 111 6768 or email consumer.queries@fca.org.uk.



5 Further information

Your benefits in the Scheme

You can find out more information about the Scheme on our website at <https://www.dalriadatrustees.co.uk/scheme/rsa2002/>

If you are considering leaving the Scheme by transferring your benefits to another pension arrangement, we recommend that you obtain advice from a financial adviser. You can find information about advisers local to you by contacting MoneyHelper at www.moneyhelper.org.uk.

You can contact MoneyHelper at any time for free and impartial guidance.

Your Scheme administrators - Isio

If you have changed your address or wish to change your nominated beneficiary, then please let us know by contacting us using the following contact details:

By phone: 0333 015 0837

By email: RSApensions@isio.com

By letter: Isio Group, PO Box 163, Blyth, NE24 9GS

As administrator for the Scheme, Isio holds and processes personal data about the Scheme's members and beneficiaries enabling them to carry out their duties in respect of the Scheme on behalf of the Trustees.

The Privacy Notice sets out details of the data which the Scheme collects and what this is used for. If you would like to request a copy of this please contact us using the details above.

Dalriada. A better way

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