ISSUED
18 June 2014

COMPANY PROFILE & FINANCIAL STRENGTH REPORTS

Hodge Lifetime

AKG

Accessible - Comparative - Independent

Analysis by AKG Actuaries & Consultants Ltd

Introduction

Background

AKG's Company Profile & Financial Strength Reports are designed to meet the information needs of advisers in assessing the relative strengths of UK long term Insurers/Providers. Two different styles of report are published by AKG - FULL reports and SHORT reports. A FULL report is produced for each of the leading Provider companies in the market, which participate in the production of the reports. For each remaining Provider company which is covered, a SHORT report is produced.

This is a FULL report.

Each report collates relevant information from a range of sources such as a company's returns to the FSA, its Report & Accounts and material provided by the companies themselves, and incorporates expert independent assessment. For FULL report companies, the process is augmented by regular meetings and other communications with AKG.

PLEASE NOTE: This report should be read in conjunction with AKG's User Guide to AKG's Company Profile & Financial Strength Reports, a copy of which is available on-line at www.akg.co.uk.

About AKG

AKG is an actuarially based consultancy specialising in the provision of ratings, information and market assistance to the financial services industry.

Assistance to Provider Companies
AKG assists Providers in: Financial Strength analysis, ratings and presentation, Data and information provision, Actuarial consultancy, Distribution consultancy.

Assistance to Financial Intermediaries
AKG assists intermediaries in: Financial Strength analysis, Best Advice panel services, Data and information provision, Actuarial and technical support.

Regular Reports
AKG publishes the following additional reports to assist Providers and Intermediaries:

AKG Offshore Profile & Financial Strength Reports - covering offshore life assurance companies.

AKG Platform Profile & Financial Strength Reports - covering platform operations.

AKG UK Life Office With Profits Reports - providing further depth in the assessment of with profits funds.

AKG Offshore Life Office With Profits Bond Report - providing further depth in the assessment of offshore with profits bonds.

For further details, please contact AKG: Tel: +44 (0)1306 876439 or email akg@akg.co.uk

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Group Overview

Hodge Life Assurance Company Limited is a wholly owned subsidiary of Julian Hodge Bank Limited, whose immediate parent is The Carlyle Trust Ltd, which controls and co-ordinates the management of a group of companies. The bank's ultimate parent company and controller is The Carlyle Trust (Jersey) Ltd.

Hodge Lifetime is the trading name of Julian Hodge Bank Limited and Hodge Life Assurance Company Limited ("Hodge Life"), and the brand under which equity release and annuity plans are distributed. As a provider of equity release and immediate annuity plans since 1965, when the life company was first incorporated, Hodge Lifetime has been providing equity release plans longer than any other provider in the UK. It was a founder member of SHIP (Safe Home Income Plans, relaunched as the Equity Release Council in May 2012), the equity release trade body, when it was established in 1991. More recently, Hodge Life has moved into the mainstream compulsory purchase annuity (CPA) market, following the launch of a new product in January 2009, subsequently exiting the purchased life annuity (PLA) market in 2010. Hodge Lifetime widened the range of its retirement solutions, with the development of its 'Retirement Mortgage', launched in 2013.

Corporate Structure (simplified)

The Carlyle Trust (Jersey) Ltd

51.84%

The Carlyle Trust Ltd

Julian Hodge Bank Ltd

Hodge Life Assurance Company Ltd

Ratings

Company	Financial Strength Ratings				Supporting Ratings		
	Overall	With Profits	Non Profit	Unit Linked	Service	Image & Strategy	Annual Review
Hodge Life Assurance Company Ltd	B	▤	★★★	▤	★★★★	★★★	★★★★★

Hodge Life Assurance Company Ltd

Corporate Data

Company Type	Life Insurer
Ownership	Carlyle Trust (Jersey) Ltd (51.84%)
Open to New Business?	Yes
Year Established	1965
Head Office	29, Windsor Place Cardiff CF10 3BZ
Tel:	0800 731 4076
Administration Office	As above
Website	www.hodgelifetime.com

Key Personnel

Chairman	D K M James
Managing Director	D L Jones
Director	D M Austin
Deputy Chairman & Non Exec Director	J J Hodge
Non Exec Director	A Bowen
Non Exec Director	A N Piper
Senior Manager: Operations	M Morris
Senior Manager: Sales & Marketing	J Tweed
Head of Actuarial	S J E Gunter
Actuarial Function Holder	O J Gillespie (Milliman)

Company Background

The company was established in 1965 as Home Reversions Ltd and became one of a number of financial services businesses which operated under the Carlyle name in the 1970s. The group, having established a wider 'Hodge' brand in recent years, as shown in the name change for the life company to Hodge Life Assurance Company Ltd in 2001, this has now become Hodge Lifetime.

Overall Financial Strength — B

The life company is small, but remains well capitalised; indeed 2013 saw its CRR coverage improve. New business volumes fell slightly following a cautious start to 2013, whilst profits increased helped by a one off item. The company did not pay a dividend, again preferring to boost its, now very healthy, capital resources. Having successfully managed its transition to a focused provider of simple compulsory purchase annuities, the group now faces a number of significant challenges. These encompass both its equity release offering, due to the potential impact of Solvency II, and, more recently, the impact on its annuity proposition of changes announced in the 2014 Budget. The group states that it is planning accordingly to respond to these, and this alongside its improved governance framework, should put it in good stead for the future.

Reinsurance

Approach

The company does not make recourse to any reinsurance.

Analysis of Reserves	**2011 £000's**	**2012 £000's**	**2013 £000's**
Gross reserves	142,978	195,970	234,744
Reinsurance ceded - external	0	0	0
Reinsurance ceded - internal	0	0	0
Net mathematical reserves	142,978	195,970	234,744

Non Profit Business

General

Non profit is the company's sole business line and consists entirely of annuities. Whilst these have historically been purchased life annuities, the company entered the pensions market with a compulsory purchase annuity in 2009. With this change in focus, pension liabilities will grow in importance in future years, as evidenced in the table below, and now exceed life liabilities, which continue to trend downwards.

Non Profit Reserves	**2011 £000's**	**2012 £000's**	**2013 £000's**
UK Life	76,855	68,146	59,190
UK Pensions	66,123	127,824	175,554
Overseas	0	0	0
Total net NP reserves	142,978	195,970	234,744

Non Profit Financial Strength ★★★

Being the only business line, non profit business is afforded the comfort provided by the company, its surplus and the potential backing of the wider group.

Unit Linked Business

The company does not have any Unit Linked business, so this section does not apply.

With Profits Business

The company does not have any With Profits business, so this section does not apply.

Key Financial Data (for y/e: 31/10/13)

Long Term Business Admissible Assets	2011 £000's	2012 £000's	2013 £000's
Fixed Interest	0	0	0
Equities	0	0	0
Property	90,144	82,324	79,393
Linked	0	0	0
Other	108,866	170,486	223,101
Total Assets	199,010	252,810	302,494

Unusually for a non profit company, a significant proportion of its long term business assets are currently property, reflecting the strategy it has adopted in backing its equity release portfolio. Other assets are predominantly banking deposits and mortgage loans.

LT Capital Resources	2011 £000's	2012 £000's	2013 £000's
Core tier one capital	59,229	67,647	80,685
Tier one waivers	0	0	0
Other tier one capital	0	0	0
Tier one deductions	-9,147	-9,930	-10,950
Total tier one capital	50,082	57,717	69,735
Tier two capital	0	0	0
Adjustments and deductions	-585	-110	-60
Total Capital Resources	49,497	57,607	69,675
CR outside the fund	0	5,000	5,073

Capital resources increased further in 2013, as the company again retained its profits rather than paying a dividend. £5m continues to be held outside the Long Term Fund, providing greater flexibility of capital management.

LT Free Assets	2011 £000's	2012 £000's	2013 £000's
Available Capital Resources	49,497	57,607	69,675
Capital Resources Req't (CRR)	19,159	25,910	20,866
Free Assets (Published)	30,338	31,697	48,809
Financial Engineering	0	0	0
Free Assets (Exc Fin Eng)	30,338	31,697	48,809

LT Free Asset Ratios	2011 %	2012 %	2013 %
FAR (Published)	15.2	12.5	16.1
FAR (Exc Fin Eng)	15.2	12.5	16.1

LT CRR Coverage Ratios	2011 %	2012 %	2013 %
CRRCR (Published)	258.3	222.3	333.9
CRRCR (Exc Fin Eng)	258.3	222.3	333.9

The company continues its course of steady growth, with increased capital resources, boosted by retained profits, and a reduction in its Capital Resources Requirement (CRR), resulting in a marked increase in its CRR coverage and its Free Asset Ratio.

Long Term Business Liabilities & Margins	2011 £000's	2012 £000's	2013 £000's
Non Linked Non Profit	142,978	195,970	234,744
Non Linked With Profits	0	0	0
Accum'lg With Profits	0	0	0
Linked	0	0	0
Surplus c/f	49,497	52,607	64,602
Other liabilities	6,535	4,233	3,148
Investment Reserves	0	0	0
Total Liabilities/Margins	199,010	252,810	302,494

All of the company's policy specific liabilities are non-linked non profit, reflecting the annuities that have been written. The unusually high level of surplus has increased broadly in line with the growth of the company.

Key Revenue Items	2011 £000's	2012 £000's	2013 £000's
INCOME			
Premiums	26,697	54,331	51,566
Investment Income	790	801	691
Investment Increase	14,354	20,985	15,720
EXPENDITURE			
Commissions	337	818	841
Policy claims	11,745	13,578	15,008
Expenses	1,466	1,939	2,864
Transfer to P&L	0	5,000	0
Increase in fund	28,927	56,102	50,769

Premium income fell slightly in 2013, down by 5% in the year to October 2013, whilst total acquisition costs increased by some 39%. Maintenance expenses were up 25%, the result of increased mortgage business. Claims increased by 10.5%, with increased CPA payments more than offsetting reduced PLA payments. The result was a reduced net inflow of £36.5m [2012: £40.8m].

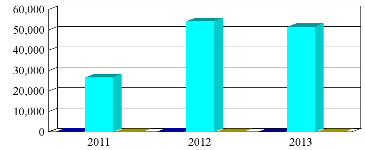
Expense Ratios	2011	2012	2013
New business (% APE)	41.5	33.7	49.4
Renewal (% reg premiums)	n/a	n/a	n/a
Renewal (% p.a. of mean fund)	0.38	0.41	0.42

2013 saw the new business expense ratio increase, reflecting higher costs and lower new business. The renewal expense ratio was effectively unchanged.

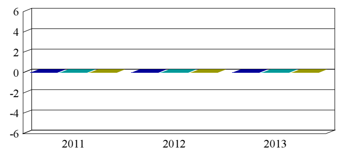
New Business Data (for y/e: 31/10/13)

		Single £000's	Regular £000's
Investment			
Bonds	With Profits	0	0
	Unitised WP	0	0
	Unit Linked	0	0
Endowment	With Profits	0	0
	Unitised WP	0	0
	Unit Linked	0	0
Guaranteed Bonds		0	0
ISA / tax exempt		0	0
Annuities		0	0
Miscellaneous		0	0
Total Investment		**0**	**0**
Protection			
Whole Life	With Profits	0	0
	Unitised WP	0	0
	Unit Linked	0	0
Term	Ordinary	0	0
	Pension	0	0
IP	Individual	0	0
Critical Illness		0	0
Long Term Care		0	0
Miscellaneous		0	0
Total Protection		**0**	**0**
Pensions			
Individual	With Profits	0	0
	Unitised WP	0	0
	Unit Linked	0	0
CPA		51,566	0
CPA (Impaired Life)		0	0
Bulk Transfer Annuities		0	0
Miscellaneous		0	0
Total Pensions		**51,566**	**0**
Group Business			
Pension		0	0
Life		0	0
IP		0	0
Critical Illness		0	0
Miscellaneous		0	0
Total Group Business		**0**	**0**
TOTAL DIRECT BUSINESS		**51,566**	**0**
Overseas Direct *(incl above)*		0	0
External Reins *(excl above)*		0	0
Intra-Group Reins *(excl above)*		0	0
Industrial Branch *(incl above)*		0	0

New Single Premiums	**2011 £000's**	**2012 £000's**	**2013 £000's**
UK Life	3	25	0
UK Pensions	26,694	54,306	51,566
Overseas	0	0	0
Total (Direct + External Reins)	26,697	54,331	51,566
Growth Rate	8.7%	103.5%	-5.1%
Reins Accepted (Intra-Group)	0	0	0



New Regular Premiums	**2011 £000's**	**2012 £000's**	**2013 £000's**
UK Life	0	0	0
UK Pensions	0	0	0
Overseas	0	0	0
Total (Direct + External Reins)	0	0	0
Growth Rate			
Reins Accepted (Intra-Group)	0	0	0



Another good year for new business, albeit down slightly following a slow start to the year as the company adopted a cautious approach in the post RDR era and gender neutral pricing. Much of the year's new business was written in a ten month period. Prior to the Budget in March 2014, the company had been expecting similar volumes for 2014.

Following the 2014 Budget, volumes have fallen by approximately 50%, a pattern seen by other annuity providers.

Distribution

Method

Hodge Lifetime distributes its equity release and annuity products through the intermediary channel, with different elements of this channel targetted for different propositions.

There is significant use of the primary Exchange and Assureweb portals and other intermediary owned portals, with changes made in 2013 to facilitate more product visability within these.

The operation distributes its compulsory purchase annuity mainly through specialist annuity advisers, but it has also been successfully increasing its footprint amongst the broader intermediary market. Equity release also makes use of specialist intermediaries operating in that area, whilst the Retirement Mortgage is more suited to, and consequently more focussed on, larger groupings of more mainstream advisers and mortgage brokers via networks and support infrastructure. Maintenance of the existing distribution and any further growth is likely to be in a considered fashion, in line with its capital and operational capacity.

The company deals with intermediaries from a centralised base with a small sales / support structure to supplement it.

Distribution Split	Regular Premium %	Single Premium %
Intermediary	0.0	100.0

Image and Strategy ★★★

To date the company's objective has been to match its annuity liabilities with equity release assets, and to grow both businesses in parallel. Having previously acquired equity release from its parent, the intention for some time has been to effect this business directly within the life company as a means of continuing this matching. Its appetite is to grow market share in a controlled and modest way.

2008 saw the launch of the Hodge Lifetime brand, incorporating the group's equity release and annuity businesses. A key part of the strategy is to develop this brand into a recognised retirement brand, primarily within the intermediary market and to a lesser but increasing degree amongst consumers.

The focus of the group's strategy in recent years has shifted much more in favour of Hodge Life and this is continuing. This is bringing with it some change of culture, in line with its youthful development as a 'new' operation relative to the wider group.

The significant and unexpected changes to the decumulation market resulting from the 2014 Budget raise clear challenges to the business in terms of its current annuity proposition. However, by widening its niche to a modest degree in terms of 'pension pot' sizes considered and looking at opportunities and its competencies across the wider decumulation arena, coupled with its nimble scale, does mitigate this.

Further challenges to the equity release business still potentially comes from Solvency II. However, again the company, whilst not of the scale to bring much influence to bear, appears well aware of the implications and advanced in considering mitigating actions, should these prove necessary.

Products/Proposition

Overall Product Philosophy

Hodge Lifetime specialises in two complementary product areas: annuities and equity release.

In the compulsory purchase annuity arena, the goal is to use efficient, low cost administration, coupled with a suitable investment strategy aiming to maintain market-leading annuity rates. A Protected Rights version of the compulsory purchase annuity was launched in April 2011.

Annuity sales enable the company to invest in equity release assets, subject to liquidity, solvency and capital requirements.

Hodge Lifetime has been providing equity release products since 1965, when it launched the first ever reversion scheme, and was a founder member of the equity release trade body SHIP (Safe Home Income Plans), relaunched as the Equity Release Council in May 2012. September 2013 saw it launch its flexible Retirement Mortgage (a non-SHIP product).

Products Currently Marketed

Pension Products

Compulsory Purchase Annuity

Other Products

Equity Release Mortgages
(written by Julian Hodge Bank Ltd)

Product Awards and Benchmarks

Hodge Lifetime was awarded 'Best provider – Lifetime Mortgages' at the 2013 Equity Release Awards. It was also awarded the Moneyfacts 2013 award for the Best Equity Release Provider as well as being commended in the Most Competitive Annuity Provider category, as well as 'Highly Commended' for innovation at the Mortgage Finance Gazette Awards 2014 for its recently launched Retirement Mortgage,

Service

★★★★

Approach

The life company has no employees of its own: all administrative services being provided by Julian Hodge Bank for which an appropriate charge is made.

Hodge Lifetime operates to a number of core values and beliefs related to: Fairness (of pricing); Service (to intermediaries and customers); Simplicity (in products, process and paperwork) and Specialist (in the retirement market). The company considers that this gives it an in-depth understanding of customer needs and therefore enables it to tailor its products and services accordingly.

In November 2013, annuity administration was brought back in-house from Equiniti Paymaster (rebranded from Xafinity Paymaster), with a consequent increase in headcount from 25 to 40.

Work is underway in 2014, within the bank, to upgrade administration systems and, in tandem with the life company, to then enhance the interface between them.

e-Business

Hodge Lifetime maintains a website which caters for both the intermediary and the end customer.

Key to distribution is availability through The Exchange and Assureweb intermediary portals.

Service Standards & Awards

Hodge Lifetime has a history of winning awards. In 2013, it was awarded 5 star ratings in the FTAdviser.com Online Service Awards in the 'Life & Pensions' and 'Mortgages' categories, also being named as most improved in the Mortgages category. It also obtained a 4 star award in the 2013 Financial Adviser Service awards - Mortgages, albeit only 2 stars as a Life & Pensions provider. It was also Highly Commended in the 'Most Competitive Annuity Provider' category for the Moneyfacts Life and Pensions Awards 2011 and 2012. In 2011 it was awarded a 4 star rating in the FTAdvisor.com Online Service Awards in the 'Mortgage Lender and Packager' category.

Albeit still relatively young in terms of track record establishment, the company's feedback from customer research is largely very positive.

Outsourcing

Some loan servicing activity for the Retirement Mortgage is outsourced to Crown Mortgage Management, a specialist mortgage outsourcer based in Ipswich.

Investment

Overall Approach

The company invests a significant proportion of its assets in equity release assets (home reversion plans and lifetime mortgages), with the remainder predominantly held as cash.

Funds Under Management

The company remains very small in market terms, having long term assets of £302m, of which £79m comprises property investment. The parent bank's total assets fell by almost 10% to £727m [2012: £803m] as at 31 October 2013.

Annual Review

★★★★★

Hodge Lifetime has continued to pursue its stated strategy and 2013 was another good year for the company. New business levels fell slightly, down 5% on 2012, as the company intially took a cautious approach to pricing in the wake of RDR and the gender directive.

The company made an increased pre-tax profit of £14.5m [2012: £9.6m]. The profit was boosted by a one-off profit that resulted from the reinvestment of part of its significant year end cash surplus into lifetime mortgages, as well as somewhat benign pricing conditions in the market during the early part of the year. No dividend was paid [2012: nil]. Long term assets increased by 20% to £302m. Pillar I capital resources in excess of the capital resources requirement increased by 54% to £48.8m.

The company increased its holdings of lifetime mortgages to a total of £198m.

The immediate parent, Julian Hodge Bank Ltd, made a pre-tax profit of £3.5m [2012: £3.1m], a result that was driven primarily by the sale of Standard Chartered shares. No dividend was paid and the Tier 1 asset ratio increased to 26.1% [2012: 24.7%]. As at 31 October 2013, the Bank had £539m of equity release mortgage assets under management, including £333m for other financial institutions. 2013 saw the bank's deposit base fall by 11%, to £584m.

At the group level, The Carlyle Trust Limited saw pre-tax profits increase from £1.2m to £21.8m, paying a dividend of £487k [2012: £110k]. A final dividend of £1.6m was recommended.

Further significant strides in developing additional governance were made in the year, all of which equip the business for further growth and maturity. Whilst there are also different challenges for its key business lines, this strengthening of its operational credential, together with growth to date but continued agility, affords it options for continued future development.

Financial Strength Ratings - Introduction

The aim of AKG's financial strength ratings is to assist IFAs and others to assess the relative strengths of individual provider companies. AKG's concept of 'financial strength' starts with the fundamental issue of a company's ability to meet all of its guaranteed payments to policyholders, but extends beyond this by aiming to factor in the degree to which a policyholder's expectations are likely to be met - or even exceeded - in the long-term. For performance-related products, where the eventual return generally depends largely upon a company's success in consistently delivering superior investment performance, and in containing expense charges, a company's ability to meet expectations is likely to be heavily dependent upon whether or not it is able to sustain its operations in the relevant market, and whether or not it can maintain, or improve, its competitive position.

As a result, AKG believes that, ideally, the evaluation of 'financial strength' should depend upon the type of product under consideration. A particular company may be judged as very strong in the context of one particular product line, but it may be weaker in another context. An illustration of this concept is a company that currently only markets unit linked business, but which has a very small closed block of with profits business, written many years ago. Such a company may be judged as 'good' for unit linked business, whilst considered 'poor' in respect of with profits business.

Since the inception of AKG's Company Profiles and Financial Strength Reports, AKG has consistently promoted and developed the concept of providing financial strength ratings separately for each of the three major product categories - With Profits, Non Profit and Unit Linked.

All AKG's financial strength ratings should be used with care, since even the more detailed approach described above represents something of a simplification. To illustrate this point, for example, the 'Non Profit' category covers a multiplicity of different products. It is clear that slightly different criteria should be used for, say, short-term policies with fully guaranteed terms (e.g. Guaranteed Bonds), than for longer-term policies with terms that can be varied at the company's discretion (e.g. Renewable or Reviewable Term).

AKG assesses financial strength using consistent methodology and objective measures wherever possible, and based on the detailed analysis of the company's particular strengths and weaknesses. The objectives and criteria for each of the financial strength ratings are summarised below:

With Profits Financial Strength Rating

The objective is to assess the overall strength of the company's with profits funds. The initial concern is the company's ability to meet its ongoing guaranteed, or promised, commitments, i.e. existing sum assured and bonuses. However, the company's ability to continue to compete successfully in the with profits market is also particularly relevant, given that closed funds are sometimes bad news for policyholders. In such situations, overall expenses tend to increase as a proportion of the fund and investment performance may well deteriorate. These, together with other factors, may make it difficult for companies in such situations to maintain competitive bonus rates at future declarations, although existing declared bonuses are not affected (other than possibly by MVRs).

☆☆☆☆☆	Excellent
☆☆☆☆	Very good
☆☆☆	Good
☆☆	Adequate
☆	Poor
▤	Not rated

The main criteria taken into account are: capital base and free asset position, with profits realistic balance sheet position, the amount of with profits business in-force, parental strength (and likely attitude towards supporting the company), and image and strategy.

NOTE: More detailed analysis of with profits companies is included in AKG's UK Life Office With Profits Report.

Non Profit Financial Strength Rating

The objective is to assess the company's ability to meet all guaranteed payments arising from such contracts as term plans, annuities etc.

☆☆☆☆☆	Excellent
☆☆☆☆	Very good
☆☆☆	Good
☆☆	Adequate
☆	Poor
▤	Not rated

The main criteria taken into account are: free assets, structure (and size) of funds within the company, parental strength (and likely attitude towards supporting the company), and image and strategy.

Unit Linked Financial Strength Rating

Whilst this is essentially a non profit line, and the primary objective is to assess the company's ability to meet all guaranteed payments arising, AKG also seeks to take into account the extent to which the company is likely to be able to sustain its unit linked operations, and whether or not it is likely to be able to maintain, or improve, its competitive position. Thus strategic issues are also relevant, because of their bearing on the quality of investment management offered, and because of companies' rights to increase charges etc.

✮✮✮✮✮	Excellent
✮✮✮✮	Very good
✮✮✮	Good
✮✮	Adequate
✮	Poor
▤	Not rated

The main criteria taken into account are: free assets, structure (and size) of funds within the company, parental strength (and likely attitude towards supporting the company), typical fund performance achievements, and image and strategy.

Overall Financial Strength Rating

The objective is to provide a simple broad-brush indication of the general financial strength of a company. In addition to an assessment of the company's ability to meet all of its guaranteed payments to policyholders, AKG also aims to factor in the degree to which policyholders' expectations are likely to be met - or even exceeded - in the long-term. This involves an assessment of a company's ability to survive in its current form for the long term. The overall rating inherently reflects the mix of business in-force within the company, since different types of policyholder have different expectations, and the company's particular strengths and weaknesses in respect of its key product areas.

A	Superior
B+	Very strong
B	Strong
B-	Satisfactory
C	Weak
D	Very Weak

The rating takes into account those of the following criteria which are relevant (depending upon the company's mix of business in-force): capital base and free asset position, with profits realistic balance sheet position, structure (and size) of funds within the company, parental strength (and likely attitude towards supporting the company), typical fund performance achievements, and image and strategy.

Supporting Ratings - Introduction

Supporting ratings are provided only in full reports, and are assessed at the brand level. AKG assesses three key supporting areas, using consistent methodology and objective measures wherever possible. The aim is to assist IFAs and others to consider the relative merits of the brands that they deal with. AKG's objectives and criteria for each of these ratings are summarised below:

Service Rating

The objective is to assess the quality of the organisation's service to the intermediary market in respect of the brand concerned.

✮✮✮✮✮	Excellent
✮✮✮✮	Very good
✮✮✮	Good
✮✮	Adequate
✮	Poor
▤	Not rated

Criteria taken into account include: performance in surveys, awards and benchmarking exercises (external and internal), the organisation's philosophy, service charters, the extent of investments designed to improve service, and feedback from intermediaries.

Image and Strategy Rating

The objective is to assess the effectiveness of the means by which the organisation currently positions itself to distribute its products for the brand concerned and the plans it has to maintain and/or develop its position.

✮✮✮✮✮	Excellent
✮✮✮✮	Very good
✮✮✮	Good
✮✮	Adequate
✮	Poor
▤	Not rated

Criteria taken into account include: overall trends in the company's market share position, brand visibility and reputation, feedback from intermediaries and industry commentators, and AKG's view of the company's general strategy.

Annual Review Rating

This is an end of year view for the last year for which Report and Accounts, returns to the FSA, etc., are available, together with comment on any significant post-balance sheet events. It is an assessment of how the brand has fared against its peers, and how it is perceived externally.

✮✮✮✮✮	Excellent
✮✮✮✮	Very good
✮✮✮	Good
✮✮	Adequate
✮	Poor
▤	Not rated

Criteria taken into account include: increase/decrease in market shares, expense containment, publicity - good or bad, press or market commentary, regulatory fines, and competitive position.

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AKG is an actuarially based consultancy specialising in the provision of ratings, information and market assistance to the financial services industry