

**CONDUCT OF BUSINESS SOURCEBOOK (ANNUITANT MORTALITY  
AMENDMENT) INSTRUMENT 2022**

**Powers exercised**

- A. The Financial Conduct Authority (“the FCA”) makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 137A (The FCA’s general rules);
  - (2) section 137T (General supplementary powers); and
  - (3) section 139A (Power of the FCA to give guidance).
- B. The rule-making provisions listed above are specified for the purposes of section 138G(2) (Rule-making instruments) of the Act.

**Commencement**

- C. This instrument comes into force on 1 October 2023.

**Amendments to the Handbook**

- D. The Conduct of Business sourcebook (COBS) is amended in accordance with the Annex to this instrument.

**Citation**

- E. This instrument may be cited as the Conduct of Business Sourcebook (Annuitant Mortality Amendment) Instrument 2022.

By order of the Board  
24 November 2022

**Annex**

**Amendments to the Conduct of Business sourcebook (COBS)**

In this Annex, underlining indicates new text and striking through indicates deleted text.

**13 Preparing product information**

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**13 Projections**

**Annex 2**

This annex belongs to *COBS* 13.4.1R (Contents of a key features illustration), *COBS* 13.5.1R (Projections for in-force products) and *COBS* 13.5.2R (Projections: other situations).

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3	How to calculate a projection for a future annuity
3.1	<i>A projection</i> for a future annuity must:
	...
	(2) use a mortality rate based on the year of birth rate derived from each of the Institute and Faculty of Actuaries' Continuous Mortality Investigation tables <del>PMA08</del> <u>PMA16</u> and <del>PFA08</del> <u>PFA16</u> and including mortality improvements derived from each of the male and female annual mortality projection models, in equal parts;
	...
...	

**19 Pensions supplementary provisions**

**19.1 Pension transfers, conversions, and opt-outs**

...

**19 Assumptions**

**Annex**

**4C**

This annex belongs to *COBS* 19.1.2BR and *COBS* 19.1.3AR.

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Assumptions			
R			
1	(1)	A <i>firm</i> must use the assumptions in (2) when:	
		(a)	the <i>proposed arrangement</i> includes a <i>pension annuity</i> and COBS 19 Annex 4A1R(2) applies; or
		(b)	it determines the estimated cost of future income benefits as a <i>pension annuity</i> under COBS 19 Annex 4B1R(2) or COBS 19 Annex 4B2R(2).
	(2)	The assumptions are:	
		...	
		(f)	the mortality rate used to determine the annuity is based on the year of birth rate derived from each of the Institute and Faculty of Actuaries' Continuous Mortality Investigation tables <del>PMA08</del> <u>PMA16</u> and <del>PFA08</del> <u>PFA16</u> and including mortality improvements derived from each of the male and female annual mortality projections models, in equal parts;
		...	
	...		