

THE EQUITABLE LIFE ASSURANCE SOCIETY  
FOUNDED 1762

Dear Policyholder

**With-profits policy values**


I hope you have recently seen an open letter in the national newspapers explaining the reductions in the Society's with-profits policy values. I know that this will have come as a great shock to you. But it was essential to take this action in order to be fair to all policyholders.

This announcement has resulted in a high level of queries and our customer service team are doing their very best to help. We realise that many of you wish to know how your policy values will be affected so we are enclosing Ready Reckoners to assist you.

In October we shall send you a new statement, giving your policy value as at the end of September.

Much progress has been made on developing the compromise scheme between those with guaranteed annuity rate policies and those without. You will soon be receiving a consultative compromise proposal upon which we look forward to hearing your views.

Yours sincerely



Charles Thomson  
Chief Executive

PLEASE SEE NOTES OVERLEAF

Walton Street, Aylesbury, Bucks HP21 7QW Telephone 0870 600 2272

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The Equitable group comprises: The Equitable Life Assurance Society, University Life Assurance Society

## **NOTES**

### **REDUCTION IN WITH-PROFITS POLICY VALUES**

The Board has reduced policy values of with-profits pensions policies by 16% (14% for with-profits life assurance policies) as at 31 December 2000. In addition, there will be no growth for the period from 1 January 2001 to 30 June 2001. The growth rate accruing to with-profits policies during the current year will now be 6% (5.6% for Equitable 2000 Personal Pension Plans and 5% for life assurance policies) per annum from 1 July 2001. Guarantees under policy contracts will, of course, be met.

For with-profits annuitants we are able to spread the impact of this change. Last year the impact of withholding growth on with-profits policies was spread so that 1% of the return would be withheld each year for five years. That measure, taken together with this decision, will mean that a total of 1.5% of the return (currently 6% per annum) will now be withheld each year until further notice.

### **FINANCIAL ADJUSTMENT**

The financial adjustment, which is applied to with-profits policies, which are surrendered early, was reduced on 16 July 2001 from 15% to 7.5% because policy values will now be closer to the value of underlying investments.

### **CONTACTING US**

If you need to contact us, please do so

#### **By writing to us:**

Client Servicing Centre,  
The Equitable Life Assurance Society,  
Walton Street,  
Aylesbury,  
HP21 7QW

**By fax:** (01296) 386383

**By telephone:** 0870 901 0052 or, for recorded information: 0870 600 2272

In order to help us answer as many calls as possible we are using a specialist telephone services company. They can answer general queries as well as provide some details of your policies.

### **RESPONDING TO YOUR INSTRUCTIONS**

We currently aim to process payments out within four weeks and switches and direct debit alterations within two weeks. We will acknowledge all requests within ten days.