

26 October 2015

Dear Policyholder

Transfer of the Society's non-profit annuity business to Canada Life

I want to bring to your attention Equitable's recent decision to transfer its non-profit annuity business to Canada Life. I wish to make clear that your unit-linked policy is not included in the transfer, but we wanted you to be aware of what is happening as you might read about it in the press.

How the transfer happens

In order to complete the transfer to Canada Life, it is necessary for us to make an application to the High Court using a legal process known as a Part VII transfer, as set out in the Financial Services and Markets Act 2000.

For policyholders, even those not resident in Jersey or Guernsey, whose policy is part of the business carried on, in or from these islands, it is also necessary to make a similar application to the Royal Courts in Jersey and in Guernsey. This legal process concludes with hearings at the Royal Courts and their details are described in the enclosed questions and answers.

If the Royal Courts each approve the transfer, the Jersey and Guernsey schemes are expected to become effective on 19 February 2016.

Protection for policyholders

Policyholders are protected in several ways. Should you consider that you may be adversely affected, you have the right to object, as we explain later.

In order to assist the High Court and the Royal Courts, Mr Nicholas Dumbreck, partner of the Actuarial consultancy Milliman, has been appointed as an Independent Expert to provide an opinion on how the proposed transfer is likely to affect policyholders. This is a standard requirement for a Part VII transfer. Mr Dumbreck's conclusions can be found on page 15 of his summary report published on our website. You can also find there a copy of Mr Dumbreck's full report.

We are also consulting with our regulators, the Prudential Regulation Authority and the Financial Conduct Authority, about the proposed transfer. They will both provide the High Court with reports containing their views on the transfer. Confirmation is also sought from the Jersey Financial Services Commission and the Guernsey Financial Services Commission that they have no objection to the proposed scheme.

The Royal Courts will only approve the transfer if they are each satisfied that the proposals meet all the necessary legal requirements and it is appropriate in all circumstances in their respective jurisdictions.

What if I consider that I may be adversely affected by the transfer?

If you consider that you may be adversely affected, you have the right to raise an objection and be heard by the High Court and the Royal Courts, depending on whether you are a Jersey or Guernsey policyholder. You can bring effect to this by following the steps described in the enclosed questions and answers.

What should I do next?

You do not need to do anything else at this stage unless you believe that you may be adversely affected as referred to earlier in this letter.

Following the High Court and Royal Court hearings in Jersey and Guernsey, we will place a notice on our website to advise of the High Court's decision.

We also enclose a short leaflet covering other helpful information about your savings.

Yours faithfully



Chris Wiscarson
Chief Executive

Helpful Questions and Answers

<p>When does the transfer take place?</p>	<p>On 19 February 2016 subject to approval by the High Court and Royal Courts.</p>
<p>Where can I find more information?</p>	<p>We have published a guide and the relevant documents relating to the transfer on our website www.equitable.co.uk. You can also obtain copies by calling the number below.</p>
<p>Where will the court hearings take place?</p>	<p>UK Scheme at the Rolls Building, Fetter Lane, London, EC4A 1NL on 8 February 2016.</p> <ul style="list-style-type: none"> • Jersey Scheme at the Royal Court of Jersey, Royal Court Building, Royal Square, St Helier, Jersey JE1 1JG on 12 February 2016 at 9.00am. • Guernsey Scheme at the Royal Court of Guernsey, The Royal Court House, St Peter Port, Guernsey, GY1 2NZ on 12 February 2016 at 9.30am.
<p>What should I do if I consider I may be adversely affected by the transfer?</p>	<p>You can put your objections to the High Court and to the Royal Court of Jersey or the Royal Court of Guernsey as follow:</p> <ul style="list-style-type: none"> • You can call our helpline, send us an email or write to us. Our contact details are below. • You may attend the High Court and Royal Courts hearing in person or by Counsel. <p>If you raise an objection, we will reply to you and send your objection and our reply to the High Court and Royal Courts, the Independent Expert and our regulators before the hearing. We expect the hearing to take place on 8 February 2016.</p> <p>If you wish to attend the court hearings, it would be helpful if you could get in touch with us as soon as possible and preferably before 25 January 2016.</p>
<p>How can I contact the Society about the transfer?</p>	<p>By phone: from UK 0330 159 1530 from overseas +44 [0] 1296 386242 By email: AnnuityTransferEnquiries@Equitable.co.uk By letter: The Equitable Life, Walton Street, Aylesbury HP21 7QW.</p>

Equitable Life

New Pension Freedoms (applicable to UK policies only)

Since April 2015, you have much greater flexibility in choosing what to do with your retirement savings. In particular, if you are over 55, you are able to take all of your retirement savings as cash. In most cases, 25% will be tax free and the remainder taxed at your marginal rate.

If you are thinking about cashing in your retirement savings, there are some important things to consider:

- How the payment will be taxed
- How the payment will support your income in retirement
- Any impact on your life assurance cover
- Any impact on state benefits
- The effect on the amount of future pension contributions you can make
- The loss of any guarantees under your policy
- How to look out for investment scams

To assist with your retirement planning, we have created a dedicated section on our website. <http://www.equitable.co.uk/micro/mainmicro.htm>

You can access free impartial guidance about what to do with your savings at retirement from the new Government sponsored service called Pension Wise. Their website is www.pensionwise.gov.uk or you can call them on 0300 330 1001.

With-profits policies

Every April, we send you a statement showing the value of your policy. You will have seen that the capital distribution under your policy increased from 25% to 35% with effect from 1 April 2015. You can find more information about the capital distribution on our website at <http://www.equitable.co.uk/>

Our Annual Report and Accounts explains what we are doing to return more capital to policyholders <http://www.equitable.co.uk/financials/financial-reports/>

More information about how we look after your with-profits fund, including how with-profits values are worked out, can be found in the policyholder section of our website <http://www.equitable.co.uk/policyholders/with-profits-funds/>

The Government Payment Scheme will close to new claims on 31 December 2015.

HM Treasury have published further information on their website:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/450364/EL_PS_administration_of_scheme_closure.pdf

If you believe you may be eligible for compensation and have not yet heard from the Payment Scheme, they can be contacted on 0300 0200 150.

Unit-linked policies

We provide a wide range of information on our website, including:

- A guide to how our unit-linked funds work and how we manage them
- Factsheets covering each fund and how they are performing
- Daily fund prices
- Objectives and risks for each fund

It is important to regularly review unit-linked investments to make sure you are still content with the level of risk you are taking. Switching to a fund which better meets your needs is easy, and currently there is no charge. We provide more information on how to switch in the guide on our website <http://www.equitable.co.uk/ulguide/ULGuideMain.htm>

We are currently undertaking a review of our unit-linked business with the intention of simplifying the range of funds. We are also reviewing the charges applied to our unit-linked policies which are somewhat below most other companies. We shall write to you with our proposals by early 2016.

If you are not sure about which unit-linked funds are right for you, we recommend that you speak to an Independent Financial Adviser.

Why might I need advice and where can I find it?

Before you make any financial decisions about your retirement, we recommend that you seek impartial guidance or financial advice. We also recommend that you seek financial advice if you are unsure whether your investments continue to be suitable for you.

We are unable to provide financial advice, so you should contact an Independent Financial Adviser. A Financial Adviser will inform you of the fee that they charge for this service. You can find Independent Financial Advisers in your area at www.unbiased.co.uk.

How to contact us for further information

By phoning: 0330 159 1530 (Fax: 0845 835 5765)

Overseas: +44 (0)1296 386424 (Fax: +44 (0)1296 386243)

By email: enquiries@equitable.co.uk

Overseas: info@equitable-int.com

By writing to: Equitable Life, Walton Street, Aylesbury, Bucks, HP21 7QW

Website: www.equitable.co.uk

For security and training purposes, telephone calls may be recorded.

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. The Equitable Life Assurance Society is a mutual society registered in England No. 37038.

Registered Office: 20-22 Bedford Row, London, WC1R 4JS, United Kingdom.