

Mr A Test  
Address Line 1  
Address Line 2  
Address Line 3  
Address Line 4  
Address Line 5  
Post Code

Date XX XXX 2018

Dear Mr Test

**Policy Number: 123456**

We are pleased to provide the value of your policy at 1 September 2018:

With-Profits Fund Value: £XX,XXX.XX including 35% capital distribution of £XX,XXX  
Guaranteed Value: £XX,XXX.XX

As you will be aware, Brexit comes into effect at the end of March 2019, but the timings of when companies need to comply with this new environment are still unclear. The changes that Brexit will bring are likely to have an impact on the way we look after this policy, including how you will benefit from the proposal we announced in June. We are working through the details of exactly what this means and we will write when the position is clearer.

In the meantime, **there is no action for you to take now** but if you have any questions do call us on +44 (0)1296 386242.

Yours sincerely

Simon Small  
Chief Executive

## Helpful questions and answers overleaf



## Helpful questions and answers

### Q1. What are the fund and guaranteed values?

The fund value, which includes capital distribution on the with-profits investment, is the amount you receive if you take your savings. With-profits policies also have a guaranteed value which is the minimum amount payable on retirement, death or at a time specified in the policy.

### Q2. What do you mean by capital distribution?

Capital is the money a company needs to hold to protect itself against things going badly wrong that could otherwise lead to insolvency. The amount of capital we have to hold depends on the level of risks faced by the Society. As risks are reduced, capital is freed up which can be returned to with-profits policyholders, which is capital distribution. The Society is determined to return capital to with-profits policyholders as fairly and as soon as possible.

### Q3. What did you announce in June?

In June, we announced our proposal to:

- Increase the current 35% capital distribution added to with-profits policies to a level expected to be between 60% and 70%
- Close the with-profits fund, which means the guaranteed value of your policy would end
- Convert with-profits policies to unit-linked
- Transfer all policies to Reliance Life

### Q4. What about new contributions I make?

The terms for investing contributions have been reviewed and the initial contribution charge has been removed with effect from 30 June 2018.

Walton Street, Aylesbury, Bucks, HP21 7QW, United Kingdom

Telephone +44 1296 386242 Facsimile +44 1296 386243 : [www.equitable.co.uk](http://www.equitable.co.uk)

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