

Simplifying our business

Phoenix

SCOTTISH
PROVIDENT
I R E L A N D

Scottish 
Mutual

Scottish 
Provident

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1. Introduction

We have emphasised some of the terms in this brochure in **bold/italics**. These terms are defined in section 8.

This brochure summarises the proposals to transfer certain policies of **Scottish Mutual Assurance Limited (Scottish Mutual)** and **Scottish Provident Limited (Scottish Provident)** to **Phoenix Life Limited (Phoenix)**, a company within the same group of companies as **Scottish Mutual** and **Scottish Provident**.

A description of the policies that we propose to transfer to **Phoenix** is shown in Appendix 1.

We are planning to do this to help further improve our efficiency as a business. Bringing these policies into **Phoenix** makes better use of our resources and we believe it will make it easier for you to deal with us in the future under a single corporate name. This is part of a process that we started in 2005 and 2006 when the businesses of other companies in our group were transferred to **Phoenix**.

At the same time and in parallel with this, we are planning to transfer certain policies of

Scottish Mutual and **Scottish Provident** to **The Royal London Mutual Insurance Society Limited (Royal London)**.

There is a separate brochure giving details of those proposed transfers to **Royal London**. That brochure will be sent to **Scottish Mutual** and **Scottish Provident** policyholders who are identified as affected by that transfer.

You will receive other material similar to this, if:

- you have other policies with **Scottish Mutual** and/or **Scottish Provident**, which are transferring to **Phoenix**;
- you have other policies with **Scottish Mutual** and/or **Scottish Provident**, which are transferring to **Royal London**;
- or
- you have other policies with **Phoenix**.

The transfer to **Phoenix** is referred to as the **Scheme** in this brochure.

In this brochure you will find:

- key information about how the **Scheme** affects you as a policyholder;
- detail as to how to raise any concerns you may have about the **Scheme**;
- a summary of the **Scheme**;
- a summary of the **Independent Expert's** report; and

- a copy of the formal **Legal Notice** of the **Scheme**.

You can look at the full **Scheme** document, along with other relevant documents including the full copy of the **Independent Expert's** report, on our website, or you can request copies by writing to us or by telephoning the helpline. You will find the website address, helpline number and correspondence address on the letter enclosed with this brochure.

Your policy(ies) may have been originally issued by a company whose business has been incorporated into one of the companies involved in the **Scheme**. If you are uncertain which of the companies involved in the **Scheme** is now responsible for your policy, please refer to Appendix 2 which lists issuing company names.

2. The process we will follow

Scottish Mutual and **Scottish Provident** have applied to the **High Court** for permission to transfer the policies to **Phoenix**. The **High Court** will only give its permission if it is satisfied that all necessary legal requirements are met and that the proposed changes are fair to policyholders. We expect the hearing at the **High Court** to be held on 4 December 2008.

An **Independent Expert**, whose appointment has been approved by the Financial Services Authority (FSA), has written a report assessing how the proposals are likely to affect policyholders' interests. This report will help the **High Court** to reach its decision.

The report concludes that the **Scheme** does not have a material adverse effect on either the security of the affected policyholders' benefits or on their benefit expectations. A summary of this report can be found in Section 7 of this brochure.

If the **High Court** gives its approval to the transfer, we expect to transfer the policies to **Phoenix** on the **Effective Date** of the **Scheme**. We expect that the **Effective Date** will be 29 December 2008.

3. What this means for you

(a) If your policy is already with **Phoenix**

If your policy is already with **Phoenix**, you will notice no change in the way we deal with you:

- your policy terms and conditions will remain the same (except as noted in Section 6); and
- your policy number will remain the same.

If you have a with profits policy, please see **Changes to Phoenix Policies** in Section 6 of this brochure.

(b) If your policy is with Scottish Mutual or Scottish Provident

If your policy is with either **Scottish Mutual** or **Scottish Provident**, then it will transfer to **Phoenix** if the **Scheme** goes ahead and you will become a policyholder of **Phoenix** instead of **Scottish Mutual** or **Scottish Provident**.

After the **Effective Date**:

- your policy terms and conditions will remain the same (except as noted in Section 6); and
- your policy number will remain the same.

However you will begin to notice some changes in the way your policy is administered. The main differences you will notice will be that:

- you will start to see **Phoenix** named as the insurer of your policy (or policies) instead of **Scottish Mutual** or **Scottish Provident**;
- the **Phoenix** logo will be on your letters instead of the **Scottish Mutual** or **Scottish Provident** logo;
- your payments to and from your current company will

automatically become payable to and from **Phoenix** (see **What this means for your payments** below for more detailed information on this);

- if your policy invests in a unit-linked fund, some of the names of the funds may change to include the **Phoenix** name;
- the names of some policies may change to reflect the **Phoenix** name; and
- if you have a pensions policy and your current company, whose business is to be transferred, acts as trustee for the scheme or plan under which that policy has been issued, **Phoenix** will become the trustee.

If you have a **with profits policy** with **Scottish Mutual** or **Scottish Provident** please see the descriptions of changes to **with profits policies** in Section 6 of this brochure as they provide information on the changes affecting **with profits policies**. An additional leaflet is also enclosed with this material describing the changes affecting your **with profits policy(ies)**.

The following will apply to the protection of your personal data transferred to **Phoenix**:

- **Phoenix** will become the data controller of any personal data relating to the transferred business of **Scottish Mutual** and **Scottish Provident**;

- you will have the same rights, liabilities and obligations in respect of the transferred personal data; and
- **Phoenix** will have the same duty of confidentiality to you as do **Scottish Mutual** and/or **Scottish Provident**.

4. What this means for your payments

The **Scheme** will have no effect on payments made by or to you if you have a policy with **Phoenix**.

Any direct debits or standing orders payable to **Scottish Mutual** or **Scottish Provident** will automatically be payable to **Phoenix** after the **Effective Date** without you having to do anything. This change will not affect the service you receive and you **do not** need to complete a new direct debit or standing order instruction.

After the **Effective Date** please remember to make cheques payable to **Phoenix Life Limited** (although cheques made payable to your previous company will be accepted for some time after this).

Any regular payments that you receive from your current company will continue as usual, although after the **Effective Date** your bank statement will show that the payment has come from **Phoenix Life Limited** rather than your current company.

Your rights under the direct debit guarantee are not affected and will remain as described below.

The Direct Debit Guarantee



This Guarantee is offered by all banks and building societies that take part in the Direct Debit Scheme. The efficiency and security of the Scheme is monitored and protected by your own bank or building society.

- If the amounts to be paid or the payment dates change, the organisation collecting the payment will notify you normally 10 working days in advance of your account being debited or as otherwise agreed.
 - If an error is made by the organisation or your bank or building society, you are guaranteed a full and immediate refund from your branch of the amount paid.
 - You can cancel a Direct Debit at any time by contacting your bank or building society. We also recommend you notify the organisation concerned.
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5. What you should do next

We would encourage you to read the enclosed material to make sure you understand the proposals.

If you are happy with the proposals you do not need to do anything.

If you have any questions or concerns you can look at the full **Scheme** document, along with other relevant documents including the full copy of the **Independent Expert's** report, on our website or you can request copies by writing to us or by telephoning the helpline. You will find the website address, helpline number and correspondence address on the letter enclosed with this brochure.

If you remain concerned that the proposals could adversely affect you, you have the right to raise your concerns with the **High Court**. You can do this in the following ways:

- by attending the hearing at the **High Court** and expressing your views in person; or
- through a representative who will attend the hearing at the **High Court** on your behalf; or
- by contacting **Phoenix, Scottish Mutual** or **Scottish Provident** (as appropriate) setting out the grounds of your objection.

Any objection should be raised as soon as possible and preferably before 27 November 2008.

If you intend to attend the hearing at the **High Court**, either in person or through a representative, please inform Slaughter and May (the solicitors acting for **Phoenix, Scottish Mutual** and **Scottish Provident**) in writing as soon as possible and preferably before 27 November 2008, setting out the grounds of your objection. Their address is shown in Appendix 3.

6. The Scheme Summary

This section summarises the key details of the **Scheme** and its effect on policies.

(a) Transfer of business

On the **Effective Date**, subject to the approval of the **High Court**, certain policies of **Scottish Mutual** and **Scottish Provident** will transfer to **Phoenix**. This means that **Phoenix** will then be the insurer and responsible for the transferred policies instead of **Scottish Mutual** and **Scottish Provident**.

On the **Effective Date**, **Phoenix** will acquire all the rights, benefits and powers of **Scottish Mutual** and **Scottish Provident** in relation to the transferred policies. The transferring policyholders will be entitled to

the same rights against **Phoenix** in respect of their policies as they currently have against **Scottish Mutual** or **Scottish Provident**, as applicable.

Any contracts between **Scottish Mutual** and/or **Scottish Provident** and a third party relating to the transferring insurance business, for example reinsurance agreements, will also transfer so that they will be between **Phoenix** and the third party.

(b) The fund structure of Phoenix

Phoenix divides its assets into two main funds, the **Shareholder Fund** and the **Long-Term Insurance Fund**, which represents the assets directly supporting the insurance liabilities.

The **Long-Term Insurance Fund** is further divided into a number of sub-funds to which different assets and policy types will be allocated. The sub-funds are listed below:

- **Non-Profit Fund**;
- 90% With-Profits Fund;
- Britannic Industrial Branch Fund;
- Britannic With-Profits Fund;
- Alba With-Profits Fund;
- Phoenix With-Profits Fund; and
- 100% With-Profits Fund.

As part of the **Scheme** two new

funds will be added to accommodate the **with profits** business transferred from **Scottish Mutual** and **Scottish Provident**. The two new sub-funds are listed below:

- Scottish Mutual With-Profits Fund; and
- SPI With-Profits Fund.

Please see below to check where your policy will be under the new structure:

• **Scottish Mutual**

Policies in the With Profits Sub-Fund of **Scottish Mutual** will be transferred to the new Scottish Mutual With-Profits Fund within **Phoenix**.

Policies in the Other Business Sub-Fund of **Scottish Mutual**, with the exception of those policies being transferred to **Royal London**, will be transferred to the **Non-Profit Fund**.

• **Scottish Provident**

Policies in the Special Fund of **Scottish Provident** will be transferred to the new SPI With-Profits Fund within **Phoenix**.

Policies in the SPI Fund of **Scottish Provident** will be transferred to the new SPI With-Profits Fund within **Phoenix**.

Policies in the Non-Profit Fund of **Scottish Provident**, with the exception of those policies being transferred to **Royal London**, will be transferred to the **Non-Profit Fund**.

- **Phoenix**

Policies within **Phoenix** will not change funds but if you have a policy in the 90% With-Profits Fund or the 100% With-Profits Fund your attention is drawn to the second part of paragraph (d) below. Policies within the **Non-Profit Fund of Phoenix** will be joined by certain policies from the Other Business Sub-Fund of **Scottish Mutual** and the Non-Profit Fund of **Scottish Provident**.

(c) Governance of with profits funds

The With Profits Committee (WPC) of **Phoenix** will continue to provide independent input to the Board on its exercise of discretion in respect of the **with profits funds of Phoenix**. In addition, in respect of the SPI With-Profits Fund, it will take on most of the specific powers and responsibilities that were previously exercised by the SPI Fund Supervisory Committee within **Scottish Provident**.

The membership of the WPC of **Phoenix** will always consist of a majority of non-executive or independent members, one of whom must be an actuary who is not a non-executive director or otherwise associated with **Phoenix** or a group company. New terms of reference for the WPC will be adopted and the **Scheme** will include safeguards as to how these can be changed

in the future.

(d) Changes to Phoenix with profits policies

For most of the existing **with profits funds** in **Phoenix**, the returns on **with profits policies** are generally determined by the **Phoenix** Board taking into account the overall financial position of the specific **with profits fund** to which the policies are allocated. It might however be appropriate in the future for the **Phoenix** Board to determine the returns for particular policies or policy groups by reference to particular assets or asset types within a particular **with profits fund**. The **Scheme** provides for some additional formal safeguards before the **Phoenix** Board can decide to do this. The **Phoenix** Board will be required by the **Scheme** to take appropriate legal, actuarial and other advice and cannot make this sort of change unless it is satisfied that it is unlikely to have a material adverse effect on the **with profits policies** allocated to the particular **with profits fund**. The **Phoenix** Board must also be satisfied that any change could have been made even if the **Scheme** had not taken place.

Under the **Scheme**, the unitised with profits benefits of former Swiss Life pension policies will be reassured from the **Non-Profit Fund** to the 90% With-

Profits Fund rather than to the 100% With-Profits Fund as happens now. The assets to be transferred into the 90% With-Profits Fund will equal the realistic liabilities, including guarantee reserves calculated on a market consistent basis. The units do not currently participate in any distribution of excess assets in the 100% With-Profits Fund and will not do so in the 90% With-Profits Fund. These policies will continue to be managed in the same way as now and, in particular, shareholders will not become entitled to any share of the profits emerging in the 90% With-Profits Fund on this business.

(e) Changes to *with profits policies in the Special Fund of Scottish Provident*

If you have a ***with profits policy*** within the Special Fund of ***Scottish Provident*** you should have received an additional leaflet within this pack explaining changes to your ***with profits policy***. If you have not received this leaflet please call our helpline on the number shown on the letter enclosed with this brochure and we will be happy to send you one.

(f) Changes to other *Scottish Mutual or Scottish Provident with profits policies*

If you have a ***with profits policy*** with either ***Scottish Mutual*** or ***Scottish Provident*** you will have received an additional leaflet within this pack explaining changes to your ***with profits policy***. If you have not received this leaflet please call our helpline on the number shown on the letter enclosed with this brochure and we will be happy to send you one.

(g) Changes to *unit-linked policies of Scottish Mutual and Scottish Provident*

You will see no difference in practice to the way your policy works and no changes in the way your benefits are paid.

There will be no change in the way we consider reviewable charges but some of the names of the unit-linked funds may change to include the ***Phoenix*** name.

If the size of your unit-linked fund falls below a certain level, ***Phoenix*** will have the option to close the fund or merge it with another fund. However, safeguards will be in place to ensure that any merger or closure will be fair to affected policyholders.

(h) Changes to annuity policies of *Scottish Mutual* and *Scottish Provident*

Benefits will be paid in the same way as before (but from ***Phoenix*** rather than from ***Scottish Mutual*** or ***Scottish Provident***) and you will see no difference in practice to the way your policy works.

(i) Changes to other non profit policies

Guaranteed benefits will be paid in the same way as before and you will see no difference in practice to the way your policy works.

7. Summary of the *Independent Expert's* report

The following is a summary of the report written by Mr Tim Sheldon, the ***Independent Expert***, who is a senior actuary independent of the companies involved in the ***Scheme*** and whose appointment has been approved by the Financial Services Authority (FSA). He has considered the proposed changes and reported on how they may affect all policyholders involved in the ***Scheme***, including existing ***Phoenix*** policyholders.

(a) Overview of the *Scheme*

This report is concerned with the

proposed ***Scheme*** to transfer part of the long term insurance business of ***Scottish Mutual*** and ***Scottish Provident*** to ***Phoenix***.

I have also considered within my full report a separate proposed scheme to transfer defined blocks of Self Assurance protection business from ***Scottish Mutual*** and ***Scottish Provident***, together with the Pegasus business in ***Scottish Mutual***, to ***Royal London***.

I have not, except where indicated, included consideration of that scheme within this summary.

(b) Main considerations

As the ***Independent Expert*** I am required to consider the implications which the ***Scheme*** may have for the various classes of policyholders in ***Scottish Mutual***, ***Scottish Provident*** and ***Phoenix***. I consider separately the holders of ***with profits policies***, ***non-profit policies*** (written on either guaranteed or reviewable terms) and ***unit-linked policies***. I also consider separately the holders of those policies being transferred and the existing holders of policies in ***Phoenix***.

Provided both the ***Scheme*** and the proposed scheme transferring defined blocks of Self Assurance and Pegasus protection business to ***Royal London*** take full effect,

there should be no policies left in the transferor companies **Scottish Mutual** and **Scottish Provident**. Since there is a possibility of one of these schemes proceeding and the other not, I consider separately the implications of this event. I am satisfied that my conclusions will continue to apply in the event that the scheme to transfer policies to **Royal London** does not proceed since all of the policies in **Scottish Mutual** and **Scottish Provident** that would have transferred to **Royal London** will be reinsured into the **Non-Profit Fund**. If the **Scheme** does not proceed but the transfer to **Royal London** takes place, I am satisfied that the security of benefits and benefit expectations of the remaining policies in **Scottish Mutual** and **Scottish Provident** will not be materially adversely affected by the transfer to **Royal London**.

In examining the implications of the **Scheme** for affected policyholders, my main considerations are the effects the **Scheme** may have for the security of policyholders' benefits (in particular guaranteed benefits), and for policyholders' benefit expectations, particularly for **with profits policies** where a significant proportion of the benefits are discretionary in the form of bonuses, for **unit-linked**

policies with discretionary management charges and for **non-profit policies** with reviewable premiums.

I also consider non-financial matters such as the implications for service standards, administration, investment management and governance.

(c) Conclusions

Based on the analysis described in my report, I conclude that the **Scheme** does not have a material adverse effect on either the security of the affected policyholders' benefits or on their benefit expectations. This applies both in respect of the holders of policies that are transferring to **Phoenix** and in respect of **Phoenix's** existing policyholders.

I have also considered the effect of equivalent schemes in Jersey and Guernsey on the relevant policyholders and have reached the same conclusions.

In reaching this conclusion I have had regard to financial information provided by **Scottish Mutual**, **Scottish Provident** and **Phoenix**, the provisions of the **Scheme**, the future governance and management arrangements for **Scottish Mutual**, **Scottish Provident** and **Phoenix** and the relevant regulatory framework. I have relied on information provided by **Scottish Mutual**, **Scottish Provident** and

Phoenix in reaching my conclusions.

The main reasons for my conclusions expressed in my report are as follows:

General considerations for all affected policyholders

- **Phoenix** is expected to be able to continue to meet its regulatory capital requirements after the **Scheme** takes effect. Since January 2007, **Phoenix** has operated the Phoenix Capital Policy, an internal capital policy which results in higher levels of capital being maintained than is required by the regulatory standards. The Phoenix Capital Policy will be enhanced by the **Scheme**, and overall I am satisfied, and concur with management's view, that **Phoenix** is expected to be able to continue to meet the Phoenix Capital Policy after the **Scheme** takes effect.
- Since the **Non-Profit Fund** contains existing non-profit business, the **non-profit policies** transferring into the Non-Profit Fund from **Scottish Mutual** and **Scottish Provident** will be exposed to a different mix of risks than was the case prior to the **Scheme**. Furthermore, the **Non-Profit Fund** and **Shareholder Fund** are potentially exposed to the risk of providing capital support to the **with profits funds** into which policies have transferred from **Scottish Mutual** and **Scottish Provident**. However, I am satisfied that the level of potential financial support means that the security of benefits of the non-profit policyholders will not be materially adversely affected.
- There is a remote risk that in extreme circumstances a **with profits fund** in **Phoenix** could be required to provide support to another **with profits fund**. However, this could only arise if the surplus assets of the **Non-Profit Fund** and **Shareholder Fund** were exhausted. I am satisfied that this additional risk is mitigated by protections in the **Scheme**, the risk-based regulatory capital regime and the Phoenix Capital Policy.
- While the **Scheme** has some implications for the management of affected **with profits policies**, and as a consequence changes will be made to the Principles and Practices of Financial Management documents, these changes should not result in policyholders' reasonable benefit expectations being materially adversely affected.
- Investment and bonus policy for the **with profits policies** should not be materially affected by the **Scheme**.

- The governance arrangements for the with profits business in **Phoenix** will be changed as a result of the **Scheme**. The **Phoenix** With Profits Committee will have responsibility for all the **with profits funds** and will replace the supervisory committee for the SPI Fund in **Scottish Provident**. In my view, the level of protection conferred on the **Scottish Provident** with profits policyholders will not be materially reduced as a result of these changes. Although it is possible to envisage circumstances where a conflict could arise when the With Profits Committee exercises its discretion in respect of different **with profits funds** in **Phoenix**, this is unlikely and therefore I do not consider it to be a significant risk. The new arrangements will represent a strengthening from the current arrangements for **Scottish Mutual** with profits policyholders.
- I understand that there is no intention to change past practice in assessing premium rates or benefit levels at review dates on policies with reviewable premiums and benefits; nor is there any intention to alter discretionary management charges as a result of the **Scheme**. Such practice needs to be consistent with the FSA's principle of

Treating Customers Fairly.

- There should be no material adverse tax effects on policyholders as a result of the **Scheme**, based on tax advice received by the companies, subject to policies being re-certified as qualifying policies where appropriate.
- Service and administration standards should be maintained.

Scottish Provident policyholders transferring to Phoenix

- Under the terms of the demutualisation scheme for the Scottish Provident Institution, I am required to give an opinion on any amendments to that scheme. I am of the view that while some of the changes could be considered to have a detrimental effect on policyholders, they are balanced by some positive changes, and I do not regard any of the changes as having a material adverse or material beneficial effect. Overall, I am satisfied that the amendments being made in relation to the demutualisation scheme as a result of it being replaced by the **Scheme** do not adversely affect the reasonable expectations of or reduce the protection conferred by the demutualisation scheme on the holders of policies transferring from **Scottish Provident**.

Existing *Phoenix* policyholders

- I have given a certificate in relation to the scheme in 2006 which transferred the long-term insurance business of several companies to **Phoenix**. The terms of that scheme require an independent actuary to certify that any amendment to the scheme will not adversely affect the reasonable expectations of the holders of policies transferred or excluded by that scheme. I have provided a certificate stating that I am satisfied that this is the case in relation to the policyholders transferred or excluded under that scheme.

This summary is not a substitute for my report. In order to obtain a fuller understanding of the various conclusions I have reached in respect of each group of affected policyholders, and of the detailed reasons for my conclusions, it is necessary to read the relevant sections of my report.

8. Definitions

Effective Date - this is the date on which the **Scheme** takes effect. Subject to the approval of the **High Court**, this is expected to be 11:59 pm on 29 December 2008.

High Court - the High Court of Justice in England and Wales.

Independent Expert - Mr Tim Sheldon of Deloitte & Touche LLP. Mr Sheldon is an actuary experienced in the issues concerned with the transfer of life insurance businesses. He has been appointed to report his opinion on the likely effect of the **Scheme** on policyholders. His appointment has been approved by the Financial Services Authority.

Legal Notice - the notice of the application to the **High Court** for approval of the **Scheme**. This is included in Appendix 3.

Long-Term Insurance Fund - the fund maintained by **Phoenix** which constitutes all of the assets and liabilities relating to its life insurance business and which are not held for the benefit of its shareholders.

Non-Profit Fund - the fund of **Phoenix** from which all of the profits are distributable to shareholders.

non-profit policy - a policy which is not entitled to share in the profits of the company, a policy such as term assurance or income protection where specified benefits are payable on death or incapacity.

Phoenix or **Phoenix Life Limited** - the company to which the businesses previously described of **Scottish Mutual** and **Scottish Provident** will be transferred on the **Effective Date**.

Royal London or The Royal London Mutual Insurance Society Limited - the company into which certain businesses of **Scottish Mutual** and **Scottish Provident** (other than the businesses to be transferred to **Phoenix** as described in Appendix 1) will be transferred.

Scheme - the legal document to be approved by the **High Court** which sets out how certain protection business of **Scottish Mutual** and **Scottish Provident** will transfer to **Phoenix**. The **Scheme** sets out the terms under which, from the **Effective Date**, **Phoenix** will be responsible for the policies which are currently the responsibility of **Scottish Mutual** and **Scottish Provident**.

Shareholder Fund - that part of **Phoenix's** assets and liabilities relating to its life insurance business held outside its **Long-Term Insurance Fund** and for the benefit of its shareholders. It includes the shareholders' original investment in the company and the profits which have been transferred out of the **Long-Term Insurance Fund** and retained in the company.

Scottish Mutual - Scottish Mutual Assurance Limited.

Scottish Provident - Scottish Provident Limited.

unit-linked policy - a policy not entitled to share in the profits of

the company and where benefits are determined by the value of a fund of investments.

with profits fund - a fund where holders of **with profits policies** have a right to share in the profits of the company.

with profits policy - a policy which is entitled to share in some of the profits of the company or part of the company.

Appendix 1 – Description of policies transferring from Scottish Mutual and Scottish Provident to Phoenix Life Limited

All **Scottish Mutual** and **Scottish Provident** policies are transferring to **Phoenix** other than those described as follows:

- the range of unit-linked and conventional protection products sold under the Pegasus name which form part of the insurance business of **Scottish Mutual**, including all products originally sold by Pegasus Assurance Limited; and
- the range of non-linked non-profit protection products (providing level, RPI-linked or decreasing term lump sum cover or RPI-linked income benefits in the event of death, critical or long-term illness or disability) sold under the Self Assurance name which form

part of the insurance business of **Scottish Mutual** and **Scottish Provident** and where the policy number is an 8 (eight) digit number starting with a 1 (one) or a 4 (four).

Appendix 2 – List of issuing company names

Phoenix Life Limited

- Alba Life Limited
- Allianz Cornhill Insurance plc
- Blackburn Assurance Company Limited
- Black Sea and Baltic General Insurance Company Limited
- Bradford Insurance Company Limited
- Britannia Life Limited
- Britannia Life Assurance Limited
- Britannia Life Association of Scotland Limited
- Britannic Assurance plc
- Britannic Assurance Company Limited
- Britannic Retirement Solutions Limited
- Britannic Unit Linked Assurance Limited
- Century Life plc
- City of Edinburgh Life Assurance Company Limited
- Colonial Life Insurance Company (UK)
- Consumers Life Insurance Company Limited
- Credit & Commerce Life Assurance Limited
- Crown Assurance Company
- Crusader Insurance Company Limited
- Crusader Insurance plc
- Ebor Phoenix Assurance Company Limited
- Evergreen Retirement Assurance Limited
- FS Assurance Limited
- Growth & Secured Life Assurance Society Limited
- Lamont Life Assurance Company
- Law Union & Rock Insurance Company Limited
- Life Association of Scotland Limited
- Liverpool London & Globe Insurance Company Limited
- Lloyd’s Life Assurance Limited
- Mutual Life Assurance
- National Australia Life Company Limited
- National Employers Life Assurance Company Limited
- NEL Britannia Assurance Company

- Old Mutual Life Assurance Company Limited
- Oxford Life Assurance Company Limited
- Phoenix Assurance Limited
- Phoenix Life & Pensions Limited
- Pioneer Life Assurance Company
- Pioneer Mutual Insurance Company Limited
- Property Growth Assurance Company Limited
- Property Growth Pensions and Annuities Limited
- Prosperity Financial Services Limited
- Prosperity Life Assurance
- Royal Heritage Life Assurance Limited
- Royal Life (Unit Linked Assurances) Limited
- Royal Life (Unit Linked Pension Funds) Limited
- Royal & Sun Alliance Linked Insurances Limited
- Royal & Sun Alliance Life & Pensions Limited
- Royal Insurance Company Limited
- Royal Life Insurance Limited
- Sentinel Life plc

- Stamford Mutual Insurance Company Limited
- Sun Alliance Linked Life Insurance Limited
- Sun Alliance Pensions Limited
- Swiss Life (UK) plc
- Swiss Pioneer Life plc
- UK Life Assurance Company Limited
- Unit Assurance Company

Scottish Mutual Assurance Limited

- Scottish Mutual Assurance Society

Scottish Provident Limited

- PFM Assurance Limited
- Prolific Life & Pensions Limited
- Provincial Life Assurance Company Limited
- Scottish Provident Assurance Limited
- Scottish Provident Institution
- Scottish Provident Managed Pension Funds Limited

Appendix 3 – Legal Notice

IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
COMPANIES COURT

No. 6361 of 2008

IN THE MATTER OF SCOTTISH MUTUAL ASSURANCE LIMITED
- and -
IN THE MATTER OF SCOTTISH PROVIDENT LIMITED
- and -
IN THE MATTER OF PHOENIX LIFE LIMITED
- and -
IN THE MATTER OF
THE FINANCIAL SERVICES AND MARKETS ACT 2000

Notice is hereby given that on 7 August 2008 an Application was made under section 107 of the Financial Services and Markets Act 2000 (the "**Act**") in the High Court of Justice, Chancery Division, Companies Court in London by Scottish Mutual Assurance Limited ("**SMA**"), Scottish Provident Limited ("**SPL**") and Phoenix Life Limited ("**Phoenix**") for Orders:

- (i) under section 111 of the Act sanctioning a scheme (the "**Scheme**") providing for the transfer to Phoenix of part of the insurance business carried on by SMA and SPL; and
- (ii) making ancillary provision in connection with the Scheme pursuant to sections 112 and 112A of the Act.

A copy of the report on the terms of the Scheme prepared by an Independent Expert in accordance with section 109 of the Act (the "**Scheme Report**"), booklets containing a statement setting out the terms of the Scheme and a summary of the Scheme Report, and the Scheme document may be obtained free of charge by contacting SMA, SPL or Phoenix (as appropriate) using the telephone number or address set out below. These documents and other related documents (including actuarial reports and sample copies of the communications to policyholders) are available on the website of SMA at www.scottishmutual.co.uk/simplify2008.html, SPL at www.scotprov.co.uk/simplify2008.html or www.scotprov.ie/simplify2008.html and on the website of Phoenix at www.phoenixlifegroup.co.uk/simplify2008.shtml.

Any questions or concerns relating to the proposed transfer should be referred to SMA, SPL or Phoenix (as appropriate) using the telephone number or address as follows:

Phoenix Life Limited, Scottish Mutual Assurance Limited or Scottish Provident Limited
Funds Merger Team
1 Wythall Green Way
Wythall
BIRMINGHAM
B47 6WG
Telephone: 0845 938 0521 or if phoning from overseas, +44 (0)1564 20 7057

The Application is due to be heard at the Royal Courts of Justice, Strand, London WC2A 2LL on 4 December 2008. Any person (including any employee of SMA, SPL or Phoenix) who thinks that he or she would be adversely affected by the carrying out of the Scheme may attend the hearing and express their views, either in person or by legal representative. Anyone intending to do so is asked to inform the Solicitors named below in writing as soon as possible and preferably before 27 November 2008 setting out their grounds of objection.

Any person who objects to the Scheme but does not intend to attend the hearing may make representations about the Scheme by giving written notice of such representations to SMA, SPL or Phoenix (as appropriate) or to the Solicitors named below in writing as soon as possible and preferably before 27 November 2008.

Dated 8 August 2008

Slaughter and May
One Bunhill Row
London EC1Y 8YY

Ref: OAW/DZK

Solicitors to SMA, SPL and Phoenix

