

Walton Street
Aylesbury
Bucks
HP21 7QW

Telephone: +44 (0)870 901 0052
Website: equitable.co.uk

October 2005

Dear Policyholder

Payments into the with-profits fund

I am writing to let you know that from the 1 December 2005 we will no longer accept additional investments into the with-profits fund under policies where premiums have stopped. Policyholders who pay premiums regularly (for example monthly or annually) are not affected.

We have made this change for the benefit of with-profits policyholders generally, because it enables the Society to manage its with-profits business with greater certainty.

Many of the Society's policies include the contractual right to make further investments into the with-profits fund, this right being dependent upon making such investments continuously (within the periods set out in the policies).

Historically, when the payment of with-profits premiums under a policy has stopped, the Society has allowed them to be restarted. However, from 1 December 2005, the Society will no longer allow with-profits premiums to be restarted – premiums received will be returned to the payer unless they comply with the policy conditions. Similarly, from that date, switches into the with-profits fund from any unit-linked funds under a policy will not be allowed if with-profits premiums have stopped (or never started).

This decision does not affect any rights you have in your policy terms to invest in the with-profits fund.

Policies which have unit-linked funds will continue to accept premiums into those unit-linked funds.

Similar treatment will apply to payments made to group scheme policies.

Please contact us on 0870 901 0052 if you have any questions regarding this letter.

Yours faithfully



Dave Pearce
Head of Customer Services