

09 May 2012

CANADA LIFE DEAL YOUR QUESTIONS ANSWERED

Q: Why has Equitable Life done this deal with Canada Life?

A: We have teamed up with Canada Life because we want our policyholders to have access to one of the UK's leading annuity providers. Canada Life has a proven track record for providing market leading rates on a consistent basis and through this arrangement our policyholders will have a wide choice of annuities at highly competitive prices.

Also, writing annuities requires capital, so by not offering our own annuities it allows us to free up capital more quickly which we can then get back into the hands of our policyholders. This deal is therefore part of our strategy of recreating policyholder value

Q: Why did Equitable Life choose Canada Life?

A: Following a tender exercise, Canada Life showed up best. They are one of the leading annuity providers in the UK with a strong track record of offering competitive rates. They are also able to provide a wide range of annuities and comprehensive administration systems which will allow annuities to be illustrated and set-up in a timely and efficient manner.

Q: When is this deal effective from?

A: This deal is effective from 6 April 2012.

Q: Is the strategy of the Society to stop writing annuities? If so, why?

A: As a closed life business we are slowly running down the business over the next 30 years. We, therefore, need to start the process of minimising the uncertainty for the business that comes with annuities which can run for over 30 years. Also, writing new annuity business requires capital and that doesn't fit with our strategy of freeing up capital that we can get back into the hands of our policyholders.

Q: Will I have to take the Canada Life annuity?

A: No. We encourage you to shop around and to ensure that you make the decision that will provide you with the best income in retirement

Q: If I want an Equitable Life annuity can I still have one?

A: Our intention is to stop writing Equitable Life annuities where possible. Canada Life provide a better rate than we are able to. We encourage you to shop around and to ensure that you make the decision that will provide you with the best income in retirement. If you require financial advice, we recommend that you contact an Independent Financial Adviser.

Q: If I want a Canada Life annuity who do I contact?

A: If you are taking benefits from pensions with Equitable Life, we can send you a Canada Life annuity illustration. If you are taking benefits from pensions with different life offices, you will need to go to Canada Life directly.

Q: How can I be sure the rates are competitive?

A: We will monitor them to ensure that they continue to provide good value to our policyholders

We would also encourage you to shop around and to ensure that you make the decision that will provide you with the best income in retirement. Details of the level of income available from other life offices are available on the FSA website, as well as, "The Money Advice Service" website.

Q: Once my Canada Life annuity is in payment who do I contact if I have a query?

A: If your query relates to your pension once it is in payment then you should contact Canada Life on 08457 226232. If it is about your Equitable Life policy before you took benefits, you can contact Equitable Life on 0845 6036771 between 9am to 5.30pm.

Q: Will I get the same deal if I go to Canada Life directly or to an Independent Financial Adviser?

A: No, this arrangement is only available where Equitable Life has provided you with an illustration. If you get a quote from an Independent Financial Adviser (IFA) you will be able to compare the two illustrations

Q: Can I have a Canada Life annuity illustration that I can sign before 6 April 2012

A: We will send Canada Life illustrations capable of acceptance from 6 April 2012. If you want to retire on or very shortly after 6 April, we can send it to you the week before. However, we are unable to process payments to Canada Life under this arrangement until this date.

Q: Is this offer open to all policyholders? If not, why?

A: There are a few exceptions, as Canada Life is unable to provide an annuity for all Equitable Life pension policies. If you want to check if you qualify, you can contact Equitable Life on 0845 6036771 between 9am and 5.30pm.

Q: Who should I contact if I have a query?

A: If your query relates to your Equitable Life policy, you can contact Equitable Life on 0845 6036771 between 9am and 5.30pm.

