

**MGM INTERNATIONAL ASSURANCE LIMITED**

**AND**

**MARINE AND GENERAL MUTUAL LIFE ASSURANCE SOCIETY**

**STATEMENT WITH RESPECT TO A SCHEME FOR THE TRANSFER OF LIFE ASSURANCE  
BUSINESS OF MGM INTERNATIONAL ASSURANCE LIMITED TO MARINE GENERAL MUTUAL  
LIFE ASSURANCE SOCIETY PURSUANT TO THE INSURANCE ACTS AND REGULATIONS**

**1 SECTION 1 – CHIEF EXECUTIVE OFFICER’S LETTER**

Dear Policyholder

As you are aware, your With-Profits Plan is provided by MGM International Assurance Limited (“MGMI”). MGMI is a subsidiary of Marine and General Mutual Life Assurance Society (“MGMA”), which is a mutual life insurer in the UK.

On 5 February 2009 the Board of MGMI resolved that MGMI should cease writing new business following a decision by its parent company, MGMA, to cease providing further capital to MGMI to support new business.

As a result of MGMI’s decision to cease writing new business it has been agreed that MGMI will transfer the Business, as defined in the scheme of transfer under which the proposed transfer is to be effected (the “Scheme of Transfer”), to MGMA.

This process requires the approval of the Irish High Court under the Assurance Companies Act 1909, the Insurance Acts 1936 to 2000 and the European Community (Life Assurance) Framework Regulations 1994. For your convenience a Notice giving details of the transfer of the Business from MGMI to MGMA is attached in Appendix 1 to this circular. This Notice sets out the details of where the transfer documents can be inspected and how you can make enquiries in respect of the proposed transfer.

It is proposed that the Business of MGMI shall by order of the Irish High Court be transferred to MGMA at the date set out in the Scheme of Transfer and shall be dealt with in accordance

with the Scheme of Transfer subject to and in accordance with all applicable laws and regulations.

In this regard, it has also been resolved by the boards of directors of MGMI and of MGMA respectively, subject to the sanction of the Irish High Court and subject to receiving the approval of the relevant supervisory authorities, that MGMI should transfer the Business, Assets and Liabilities to MGMA with effect from the Transfer Date (as defined in the Scheme of Transfer).

The Scheme of Transfer will be reviewed by the Irish Financial Services Regulatory Authority.

In respect of the proposed transfer of MGMI policies to MGMA we are required to provide you with a statement setting out the nature of the Scheme of Transfer and provide you with a summary of the Scheme of Transfer and a summary of the independent actuary's report. A summary of the Scheme of Transfer in respect of the life policy transfer is therefore set out below. For the avoidance of doubt, please note that the summary of the Scheme of Transfer and the independent actuary's report set out below relate only to any life policy you may have with MGMI.

As I mentioned above, the transfer requires the approval of the Irish High Court. The Directors of MGMI and MGMA therefore presented a petition to the Irish High Court on 14 December 2009 seeking such approval. At a later hearing, the Court will hear any person whom it considers ought to be heard (including policyholders) regarding any objection to the transfer and may sanction the transfer if it is satisfied that no sufficient objection has been established. The Court hearing is expected to take place on 12 April 2010 and, if the Scheme of Transfer is approved by the Court, it is expected to become effective on 19 April 2010. Confirmation of the hearing date was published in the Irish Times, the Irish Independent, The Times and the Financial Times (Domestic and International Edition) on 3 February 2010 and in Iris Oifigiuil on 5 February 2010.

If you wish to raise any objections to the transfer, you may do so by contacting the Irish solicitors for the petitioners, Matheson Ormsby Prentice, at the address set out below in this circular. You will also be able to raise any objection at the above mentioned Court hearing. Of

course, MGMI and MGMA will be happy to answer any queries that you may have regarding the transfer process.

You do not need to take any action in respect of this circular. MGMA will not conduct business in a manner that is materially different to the way in which MGMI conducted business and in this regard policyholders whose policies transfer should not experience any material change in doing business after the transfer. The transfer will not affect arrangements for claims as all necessary arrangements will be made on behalf of policyholders by MGMA

In respect of the transfer of life policies, the Assurance Companies Act 1909 requires that a report on the transfer and its effect for policyholders must be prepared by an independent actuary. Brian Woods, a Fellow Member of the Society of Actuaries in Ireland and a Fellow of the Institute of Actuaries has prepared such a report, a summary of which is attached to this letter. The independent actuary concludes that the proposed transfer and arrangements will not adversely affect the security of benefits or the benefit expectations of policyholders.

Copies of the petition presented to the High Court on 7 December 2009, the Scheme of Transfer, the independent actuary's report and the grounding Affidavit of Christopher Evans dated 4 December 2009 and the exhibits thereto will be provided on request at the offices listed below. The Directors of MGMI and MGMA believe that the proposed transfer will not prejudice the security of our policyholders in any way.

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**Sylvia Cronin, Chief Executive Officer**

**MGM International Assurance Limited**

**SUMMARY OF THE SCHEME TO TRANSFER MGMI LIFE POLICIES**

The following is a statement summarising the nature of the transfer of the life assurance business of MGMI to MGMA (the “Transfer”) and an abstract containing the material facts embodied in the scheme (the “Scheme of Transfer”) under which the Transfer is to take place as required by Section 13(3)(b) of the Assurance Companies Act, 1909.

The Scheme of Transfer provides for the transfer of all of MGMI’s life assurance business to MGMA and other matters in relation to the Transfer which will arise as a consequence of it.

The Scheme of Transfer envisages the transfer to MGMA of all rights and powers of MGMI under the Transferred Policies (as defined below), the Transferred Liabilities (as defined below) and the Transferred Assets (as defined below).

“Transferred Assets” means all of the assets of MGMI with the exception of the Fixed Assets (as defined in the Scheme of Transfer);

“Transferred Policies” means the contracts underwritten by MGMI in respect of Policyholders, before the Effective Time, forming part of the Business, but not including any contracts which are surrendered, terminated or discharged by performance before the Effective Time;

“Transferred Liabilities” means all of MGMI’s debts, obligations and other liabilities whatsoever in connection with the Business and/or Assets and howsoever arising on or before or after the Effective Time, including in particular but without limitation, the Policy Liabilities, Tax Liabilities and liabilities under the Transferred Policies from the date of inception of the Transferred Policies and any liabilities whether contractual, statutory or otherwise associated with the marketing sale and administration of the Transferred Policies, (the terms Business, Assets, Policy Liabilities and Tax Liabilities are as defined in the Scheme of Transfer);

It is envisaged that the Scheme of Transfer will become effective and the Transfer will take place at 00.01 on 19 April 2010, or on such later date and at such later time as the Court may direct (the “Effective Time”).

Premiums now payable to MGMI in respect of Transferred Policies will automatically become payable to MGMA.

If at the Effective Time any proceedings are pending by or against MGMI in respect of Transferred Policies such proceedings are to be continued by or against MGMA.

It is intended that there will be no variation in the terms and conditions governing the Transferred Policies as a result of the transfer.

MGMI and MGMA may make modifications or additions to the Scheme of Transfer, if so required by the Court.

Each of MGMI and MGMA are to bear the costs and expenses of and incidental to the preparation and carrying into effect of this Scheme of Transfer arising prior to and including the Effective Time.

The Scheme of Transfer is governed by and construed in accordance with Irish law.

3 **REPORT OF THE INDEPENDENT ACTUARY ON THE PROPOSED TRANSFER OF THE LIFE ASSURANCE BUSINESS**

A summary of the Independent Actuary's Report is set out in Appendix 2 to this circular.

4 **DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the petition presented to the High Court on 7 December 2009, the Scheme of Transfer, the independent actuary's report and the grounding Affidavit of Christopher Evans dated 4 December 2009 and the exhibits thereto are available for inspection at the offices set out below between the hours of 9.00 am to 5.00 pm on each working day, Monday to Friday, from 8 March 2010 to 29 March 2010:

Matheson Ormsby Prentice, Solicitors, 70 Sir John Rogerson's Quay, Dublin 2, Ireland;

Matheson Ormsby Prentice, Pinnacle House, 23-26 St Dunstan's Hill, London EC3R 8HN;

MGM International Assurance Limited, Pembroke Hall, 38/38 Fitzwilliam Square, Dublin 2; and

Marine and General Mutual Life Assurance Society, MGM House, Heene Road, Worthing,  
West Sussex BN 11 3AT.

## 5 **QUESTIONS YOU MAY HAVE**

### **Q: Will my policy be the same after the transfer?**

A: Yes, after the transfer MGMA will be responsible for the policies of MGMI. There will be no need for existing policy documents to be altered or for new policies to be issued as exactly the same terms and conditions will be applicable. All that is required is for all policyholders to retain their existing policy documents in the same manner as before the transfer took place. Your policy will retain the same benefits.

### **Q: Will I be required to pay any additional premium?**

A: No. The amount of your premium will remain the same as all terms and conditions of your policy will still apply. You will not be required to make any further premium payments as part of the Transfer.

### **Q: Do I need to do anything?**

A: No. The Court will only sanction the transfer scheme if it is satisfied that it has heard all persons whom it considers should be heard and is satisfied that no sufficient objection has been established. Further, by law an independent actuary must report on the Scheme of Transfer, and a summary of his report is set out below. But if you do have any concerns, please feel free to contact MGMI for further information.

### **Q: How will I know whether the Scheme has become effective?**

A: Because of the high cost involved, we do not propose to circularise each policyholder individually following the Court hearing. If the Court approves the Scheme of Transfer we will publicise that fact through newspaper notices. You need take no action as a result of the transfer.

**Q: Who should I contact if I have any questions in relation to the Scheme?**

A: We are happy to answer any queries that you may have regarding the transfer process and, should you have any questions in this regard, please email Paula Denmead at [info@mgm-international.ie](mailto:info@mgm-international.ie) or call our helpline on +353 (1) 2343157 and we will be happy to assist you with your questions.

**APPENDIX 1**

**THE HIGH COURT  
2009 Record No. 770 COS**

**IN THE MATTER OF MGM INTERNATIONAL ASSURANCE LIMITED  
AND IN THE MATTER OF THE INSURANCE ACTS AND REGULATIONS**

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**NOTICE**

**NOTICE IS HEREBY GIVEN** that MGM International Assurance Limited (hereinafter "MGM") applied to the Irish Financial Services Regulatory Authority on 15 December 2009 for its approval, pursuant to the Assurance Companies Act 1909 and the Insurance Acts 1936-2000 and the European Communities (Life Assurance) Framework Regulations 1994 to transfer to Marine and General Mutual Life Assurance Society (hereinafter "MGMA") all of its rights and obligations under policies written by it.

Copies of the Scheme of Transfer, whereby the said transfer is to be effected, the Petition presented to the High Court on 7 December 2009, and the Schedule annexed thereto, the grounding Affidavit of Christopher Evans dated 4 December 2009 and the exhibits thereto and the Independent Actuary's Report (the "Transfer Documents") shall be available for inspection by any policyholder at the following offices from 9.00 am to 5.00 pm from Mondays to Fridays, public holidays excepted, from 8 March 2010 to 29 March 2010:-

Matheson Ormsby Prentice Solicitors, 70 Sir John Rogerson's Quay, Dublin 2;  
Matheson Ormsby Prentice, Pinnacle House, 23-26 St Dunstan's Hill, London EC3R 8HN;  
MGM International Assurance Limited, Pembroke Hall, 38/39 Fitzwilliam Square, Dublin 2; and  
Marine and General Mutual Life Assurance Society, MGM House, Heene Road, Worthing.

The hearing of the Petition will be heard by the High Court of Ireland on Monday, 12 April 2010 at the Four Courts, Dublin 7, at 11 a.m.

Any person who wishes to be heard on the hearing of the said Petition should notify the Petitioner's Solicitors, Matheson Ormsby Prentice, 70 Sir John Rogerson's Quay, Dublin 2, quoting reference LF/GCA/638805/5, in writing no later than Friday, 2 April 2010 of their intention to appear at the said Petition and should indicate to the said Solicitors whether such person or persons support or oppose the said Petition.

Written representations concerning the transfer may also be sent to the Insurance Supervision Department of the Irish Financial Services Authority, PO Box 11517, Spencer Dock, Dublin 1, before Friday, 2 April 2010 and should be copied to the Petitioner's Irish solicitors, Matheson Ormsby

Prentice. Correspondence should be directed to Liam Flynn at Matheson Ormsby Prentice, 70 Sir John Rogerson's Quay, Dublin 2, Ireland. The Irish Financial Services Regulatory Authority will not determine the application until after considering any representation made before that date.

Matheson Ormsby Prentice, 70 Sir John Rogerson's Quay, Dublin 2, Ireland

**APPENDIX 2**

**Summary of the Report of the Independent Actuary**