

**IN THE ROYAL COURT OF THE ISLAND OF JERSEY**

**(Samedi Division)**

**IN THE MATTER OF THE REPRESENTATION OF**

**THE EQUITABLE LIFE ASSURANCE SOCIETY**

First Representor

**("EQUITABLE LIFE")**

**and**

**THE PRUDENTIAL ASSURANCE COMPANY LIMITED**

Second Representor

**("PRUDENTIAL")**

**AND IN THE MATTER OF AN APPLICATION PURSUANT TO ARTICLE 27 OF AND THE  
SECOND SCHEDULE TO THE INSURANCE BUSINESS (JERSEY) LAW 1996**

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**REPRESENTATION**

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## 1. Purpose of the Representation

This Representation relates to the proposed scheme (the "**Jersey Scheme**"), a copy of which is annexed to this Representation) for the transfer of some of the long term insurance business carried on in or from within Jersey (as defined in Article 1(1) of the Insurance Business (Jersey) Law 1996 (the "**Insurance Law**") and referred to herein as "**Long Term Insurance Business**") from Equitable Life, (the "**Transferor**") to Prudential (the "**Transferee**"). The Jersey Scheme is intended to transfer some of the with-profits annuity business between the Representors on the same terms as the terms of the insurance business transfer scheme pursuant to the Financial Services and Markets Act 2000 (the "**Act**") filed with the High Court of England and Wales on 30 August 2007 for its approval (the "**UK Scheme**"). The terms of the UK Scheme are incorporated into the Jersey Scheme as Schedule 1 to the Jersey Scheme.

## 2. Interpretation

Words and expressions used in this Representation which are defined in the Jersey Scheme or the UK Scheme shall bear the same meanings herein (save where they are expressly defined herein) unless the context otherwise requires.

## 3. Introduction

- (1) Equitable Life is an unlimited company incorporated in England and Wales with registered number 37038, whose registered office is at 20-22 Bedford Row, London WC1R 4JS.
- (2) Prudential is a company incorporated in England and Wales with registered number 00015454, whose registered office is at Laurence Pountney Hill, London EC4R 0HH.
- (3) Each of the Representors is an insurance company carrying on long term insurance business from the UK to which the Act applies and each holds an authorisation under the Act. Both the Transferor and the Transferee hold a Category A permit to carry on long term insurance business under the Insurance Law.

- (4) In March 2007, Equitable Life entered into an agreement to allow the transfer of Equitable Life's with-profits annuity policies to Prudential. All with-profits annuity policies of Equitable Life are to be transferred, except for 16 policies in favour of certain policyholders in Germany; those policies are operationally different from, and not comparable with, the rest of the with-profit annuity policies to be transferred, and as such they were not included in the proposed transfer.
- (5) The transfer of the UK transferring business conducted by the Transferor will proceed pursuant to the UK Scheme, subject to approval being granted by the High Court of England and Wales. There will also be a scheme in Guernsey to transfer those policies which were sold out of the Guernsey branch of Equitable Life and those policies which are held by policyholders who are currently resident in Guernsey.
- (6) The transfer of the Transferring Jersey Business is proposed pursuant to the terms of the Jersey Scheme in accordance with the provisions of Article 27 of and the Second Schedule to the Insurance Law, which requires the sanction of the Royal Court of Jersey (the "**Court**") to any scheme under which the whole or part of the insurance business of a permit holder is to be transferred to an insurance company or other permit holder.

#### 4. **Independent Actuary's Channel Islands Scheme Report**

Pursuant to paragraph 3 of the Second Schedule to the Insurance Law, an independent actuary, Mr Steve Sarjant, has prepared a report in relation to the Jersey and Guernsey Schemes (the "**Independent Actuary's Channel Islands Scheme Report**"), which specifically addresses the Jersey Scheme and is supplemental to the report prepared in relation to the UK Scheme.

#### 5. **Circular to Policyholders and Notices**

- (1) In accordance with the requirements of paragraph 4(a) of the Second Schedule to the Insurance Law, a notice of the presentation of this Representation containing the prescribed information will be published in the Jersey Gazette.

(2) Subject to the directions of the Court, it is intended that notification (the "**Jersey Notification**") consisting of:

- (a) a covering letter, from the Equitable Life to the Equitable Life policyholder concerned;
- (b) a Policyholder Circular, which contains a summary of the terms of the UK Scheme;
- (c) a document entitled "Transfer of with-profits annuities to Prudential - key features";
- (d) a Question and Answer document; and
- (e) a "Channel Islands policyholder enclosure". This states that the Jersey Scheme provides for the transfer of policies on the substantially the same terms as the UK Scheme and that the Independent Actuary has considered the impact of the Guernsey Scheme on the Guernsey Business and of the Jersey Scheme on the Jersey Business and concluded that the implications for the policyholders affected by these Schemes are no different from the implications of the UK Scheme on other policyholders of Equitable Life and Prudential as discussed in his report as Independent Expert on the UK Scheme;

will be sent by post to the policyholders and claimants (in the ordinary sense of the word) of or under the terms of the Transferring Jersey Policies (the "**Jersey Policyholders**") who have a current address in Jersey in the operational computer records of the Transferors.

(3) The Transferors will extract address records for their Jersey Policyholders up until 31 August 2007 for a mailing that is intended to be despatched on or around 28 September 2007. It is not proposed that any notification will be sent to the policyholders or member of Prudential.

- (4) In accordance with the requirements of paragraph 4(c) of the Second Schedule to the Insurance Law, a copy of this Representation, the Independent Actuary's Channel Islands Scheme Report and the Jersey Notification will be served on the Jersey Financial Services Commission (the "**JFSC**") at least 21 days before seeking an order sanctioning the Jersey Scheme.
- (5) In accordance with the requirements of paragraphs 4(d) and 5 of the Second Schedule to the Insurance Law, copies of this Representation and the Independent Actuary's Channel Islands Scheme Report will be made available:
  - (a) for inspection for a period of not less than 21 days beginning with the date of the first publication of the notice referred to in paragraph (1) above at the offices of Mourant du Feu & Jeune, 22 Grenville Street, St Helier, Jersey; and
  - (b) for collection at any time before an order sanctioning the Jersey Scheme.

## **6. Dispensation**

- (1) Paragraph 4(b) of the Second Schedule to the Insurance Law requires that, except where the Court has otherwise directed, a statement that complies with the requirements of paragraph 4(b)(i) and (ii) of the Second Schedule to the Insurance Law, be sent to:
  - (a) each of the policyholders of the Representors; and
  - (b) every member of the Representors,(the "**Paragraph 4(b) Requirement**").
- (2) The Paragraph 4(b) Requirement, in this case, means that such statement should (except where the Court has otherwise directed) be sent to four different classes of persons:
  - (a) every member of the Representors (the "**Members**");
  - (b) each of the holders of Transferred Jersey Policies;

- (c) each policyholder of Prudential; and
  - (d) each of the policyholders of policies of the Transferors that do not form part of the Transferred Jersey Business (the "**UK Scheme Policyholders**").
- (3) The Representors apply for directions dispensing with the Paragraph 4(b) Requirement on the grounds that:
- (a) the Members do not need to be sent the statement referred to in paragraph 4(b) of the Second Schedule to the Insurance Law, on the basis that Equitable Life's members will be sent details of the UK Scheme and will be invited to attend an EGM at which they have a right to vote on the proposed (assuming they are eligible to vote pursuant to the requirements set out in Equitable Life's articles of association) transfer and Prudential's member will be sent details of the UK Scheme;
  - (b) for the reasons explained in the Affidavits of Mrs Julie Houston (the "**First Affidavit on behalf of Equitable Life**") and Mr Andrew David Taylor (the "**First Affidavit on behalf of Prudential**") and the First Witness Statements of Mrs Julie Houston (the "**First Witness Statement of Julie Houston**"), and Mr Andrew David Taylor (the "**First Witness Statement of Andrew David Taylor**") sworn for the purposes of the UK court proceedings, there are operational difficulties in separately identifying the with-profits annuity business conducted by any of the Representors in or from within Jersey. The Representors' only reasonably practicable option in the circumstances is therefore to send the Jersey Notification to those transferring policyholders who have a current address in Jersey recorded in the operational computer records of the Representors (i.e. the Jersey Policyholders defined above in paragraph 5(2));
  - (c) for the reasons explained in the First Affidavit on behalf of Prudential and paragraphs 20 to 23 of the First Witness Statement of Andrew David Taylor, it is also proposed that the Jersey Notification should not be sent to the

policyholders or member of Prudential;

- (d) there will be publication of a notice in the Jersey Gazette as referred to in paragraph 5(1) above;
- (e) the Jersey Notification contains a summary of the terms of the UK Scheme which are incorporated into the Jersey Scheme and a statement to the effect that the Jersey Scheme will be implemented in Jersey on substantially the same terms as the Scheme in the UK and that the Independent Actuary has considered the impact of the Guernsey Scheme on the Guernsey Business and of the Jersey Scheme and concluded that the implications for the policyholders affected by these Schemes are no different from the implications of the UK Scheme of other policyholders of Equitable Life and Prudential as discussed in his report as Independent Expert on the UK Scheme. The Jersey Scheme provides for the transfer of policies on the same terms as the UK Scheme;
- (f) the Representors will use all reasonable endeavours to circulate the Jersey Notification to the Jersey Policyholders as referred to in paragraph 5(2) above and in the manner described in paragraph 16 of the First Affidavit on behalf of Equitable Life and the First Witness Statement of Julie Houston;
- (g) the UK Scheme Policyholders do not need to be sent the statement referred to in paragraph 4(b) of the Second Schedule to the Insurance Law, because:
  - (i) they are all, except those policyholders in respect of whom a dispensation (the "**UK Dispensation**") from the notification requirements under Regulation 3(2)(b) of the Financial Services and Markets Act 2000 (Control of Business Transfers)(Requirements on Applicants) Regulations 2001 is sought from the High Court of England and Wales, being sent (in accordance with the UK Dispensation) notification under the UK Scheme pursuant to the requirements of the Act (a "**UK Notification**") (which contains

identical information to that provided in the Jersey Notification);

- (ii) the Independent Actuary's Channel Islands Scheme Report together with a copy of the statement setting out a summary of the UK Scheme and the summary of the Independent Actuary's Jersey Scheme Report is available for inspection and can be obtained free of charge from Equitable Life, from its website at [www.equitable.co.uk](http://www.equitable.co.uk), by writing to Equitable Life, Walton Street, Aylesbury, Bucks HP21 7QW or by telephone on 0800 408 0097 (or 00 800 1020 1040 if calling from overseas), and from Prudential, from its websites [www.pru.co.uk/equitable](http://www.pru.co.uk/equitable) and [www.pruadviser.co.uk/equitable](http://www.pruadviser.co.uk/equitable), by writing to Annuities South (XEL), Prudential, Stirling FK9 4UE, or by telephone on 0845 600 2435 (or 00 44 1786 448844 if calling from overseas) and at the offices of Maurant du Feu & Jeune, 22 Grenville Street, St Helier, Jersey; and
- (iii) a notice in the form approved by the UK Financial Services Authority stating that an application pursuant to Part VII of the Act has been made shall be published in the London Gazette, the Edinburgh Gazette and the Belfast Gazette as well as The Times, the Financial Times, The Daily Mail and The Daily Telegraph, The Sunday Telegraph, The Australian Financial Review, The Globe and Mail, The Guernsey Press and Star, the Isle of Man Examiner, The Jerusalem Post, The New Zealand Herald, The Sunday Times, The Neue Zuercher Zeitung, The Bangkok Post, The Wall Street Journal, the Law Society Gazette of England and Wales, the Journal of the Law Society of Scotland, Accountancy Age, Accountancy Magazine, Money Marketing and CA (Accountants in Scotland).

**WHEREFORE THE REPRESENTORS PRAY THAT THIS HONOURABLE COURT DO MAKE THE**



**FOLLOWING ORDERS:**

- (a) THAT service of a statement as required by paragraph 4(b) of the Second Schedule to the Insurance Law upon each of the policyholders and on each member of each Representor be dispensed with;
- (b) THAT such other interim Order(s) be made as this Honourable Court shall deem appropriate;
- (c) THAT an Order be made pursuant to the Second Schedule of the Insurance Law sanctioning the Jersey Scheme;
- (d) THAT the Representors do within ten days from the date of such Order referred to in paragraph (c) above, or such longer period as the JFSC may allow, deposit two office copies of such Order with the JFSC; and
- (e) THAT such other Order(s) be made as this Honourable Court shall deem appropriate.

Dated this ..... day of ..... 2007.

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**Advocate for the Representors**

The Representors' Address for Service:-

Mourant du Feu & Jeune  
22 Grenville Street  
St Helier  
Jersey

Our ref: 2030361/MdFJ/HARRM/854324/7

Annex  
The Jersey Scheme