

## ANNEX III

### Notification of policyholders and affected persons

131. The FSA is informed that, pursuant to the order of Mr Chief Registrar Bouster dated 6 September 2007, notice of the hearing date and of ELAS and PAC policyholders' (and other affected persons') rights to make representations in writing, or to appear in person at the hearing, and to have copies of the Scheme documents, were:
- a) Published in the Times on 3 October 2007, the Financial Times on 4 October 2007, the London Gazette on 5 October 2007, The Daily Telegraph on 6 October 2007, The Sunday Telegraph on 7 October 2007, the Edinburgh Gazette on 9 October 2007, The Daily Mail on 8 October 2007 and the Belfast Gazette on 12 October 2007;
  - b) Sent to policyholders by post between 28 September 2007 and 2 October 2007. However, some 343 policyholders were not sent copies of the Scheme documents until 15 October 2007. Paragraph 74 above provides further detail.
  - c) Made available to policyholders on the ELAS website on 28 September 2007 and the PAC website on 1 October 2007.
132. The FSA approved in draft the notices to be published and sent to policyholders. The FSA makes the following observations:
- a) On 6 September 2007, ELAS sought leave to modify the requirement to provide notice of the application to every policyholder, imposed by regulation 3(2)(b) of the Financial Services and Markets Act 2000 (Control of Business Transfers) Requirements on Applicants Regulations 2001. ELAS proposed (in respect of the Transferring with-profits policyholders) to notify annuitants who are the legal holders of their own policies where ELAS has a current address, the legal holders of policies who are not themselves annuitants (e.g. trustees of group pension schemes) and annuitants who are not the legal holders of their own policies (e.g. the trustee of group pension scheme is the policyholder). PAC also proposed not to notify any of its policyholders.
  - b) The FSA did not oppose the applications. In doing so, the FSA took account of the additional advertising in three national newspapers in the UK, six professional

publications<sup>5</sup> in the UK and additional advertising in countries outside the EEA<sup>6</sup>; the fact that PAC has approximately 10.9 million policies in force and that the cost of notification was estimated to be £2.7m. The FSA also had regard to the conclusion of the then draft Scheme Report that the proposed transfer would not adversely affect the existing policyholders of PAC.

- c) On 6 September 2007, ELAS sought leave to modify the requirement to publish notice of the application where as regards any policy included in the proposed transfer, an EEA State other than the UK is the State of Commitment, in two national newspapers in that EEA State, imposed by regulation 3(2)(a)(iii) of the Financial Services and Markets Act 2000 (Control of Business Transfers) Requirements on Applicants Regulations 2001.
- d) The FSA did not oppose this application. In doing so, the FSA took account of the fact that there were only a small number of policyholders with an address in an EEA State other than the UK, the substantial extra professional and other costs associated with finding suitable newspapers in each relevant EEA State and translating and publishing the notice, and that notice of the transfer would be published in the international editions of the Financial Times and The Times.

133. The FSA has reviewed the communications sent to policyholders of both PAC and ELAS in connection with the Scheme. The FSA is of the opinion that policyholders and affected persons have received sufficient information and adequate time to consider the information, as required by or under FSMA.

134. Accordingly, the FSA is of the opinion that ELAS policyholders and affected persons have received sufficient information about the Scheme, as required by or under FSMA 2000.

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<sup>5</sup> 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).

<sup>6</sup> Australia, Canada, Guernsey, Isle of Man, Israel, Jersey, New Zealand, South Africa, Switzerland, Thailand and USA.