

**Policyholder Letter (PAM)**

**Clerical Medical**

<Outsourcer Address>  
<Address1>  
<Address2>  
<Address 3>  
<Address 4>



**CLERICAL MEDICAL**

<Date> 2018

<Customer Name>  
<Address1>  
<Address2>  
<Address 3>  
<Address 4>  
<Postcode>

**How to contact us**

If you have any questions, you can visit  
[Visual identity web address]

or you can phone us (quoting the  
reference number below) on  
[XXXX-XXX-XXXX]

Lines are open  
9:00am to 12:00pm Monday to Friday  
(excluding 24 and 31 December 2018 and  
public holidays)

OUR REFERENCE: XXX/XXX/XXX

[PLAN\_NAME]: [POLICY\_NUMBER]

Dear [Salutation],

## Important Information about your policy



- We are proposing to transfer your policy to Scottish Widows Europe S.A. This will allow us to provide you with a continued service following the UK's prospective withdrawal from the European Union ("EU").
- There will be no changes to the terms and conditions of your policy.
- Your interests are being protected throughout the process and you can raise any concerns or objections by writing to us, calling us on [XXXX XXX XXXX], emailing us at [insert email address] or directly through the High Court of Justice in England and Wales, London (the "Court").
- If anyone has an interest in your policy, for example if it is jointly owned or if there are joint beneficiaries (including contingent beneficiaries) for an annuity, or if your policy has been assigned or is subject to a Court order, please share this letter and the accompanying Planholder Guide with them.

Your policy is currently with Scottish Widows Limited ("SWL") trading as Clerical Medical ("CM"), which is part of the Scottish Widows group of companies (the "Group").

The Group is proposing to transfer its European portfolio to a new legal entity in Luxembourg – Scottish Widows Europe S.A. ("SWE"), so that your policy and claims can continue to be effectively administered following the UK's prospective withdrawal from the EU. This proposal is subject to approval by the Court at a hearing scheduled for 14 March 2019. If the transfer is approved, your policy will be provided by SWE, a subsidiary of SWL regulated by the Commissariat Aux Assurance ("CAA"), the Luxembourg insurance regulator. SWE will also trade as CM. The date the changes will come into effect is expected to be 28 March 2019, which we refer to as the "Effective Date".

Further information on this is provided in the Important Information section enclosed.

## What this means for you

- ✓ The current terms and conditions and your rights and obligations under your policy will not change and you will continue to be entitled to the same benefits
- ✓ Any information you receive about your policy will continue to come from CM
- ✓ You will still be able to contact us in the same ways

As a result of this, and the rigorous approval process that the proposals will be subjected to, we believe that you should not be disadvantaged by the proposal. We would, however, draw your attention to the following change that would arise after the Effective Date of the transfer:

- In the unlikely event that SWE were to become unable to satisfy its obligations after the Effective Date, you will no longer be able to make a claim to the UK Financial Services Compensation Scheme ("FSCS") (although if your claim results from an event which occurs prior to the transfer, it will continue to be covered by the FSCS).

Further information on the eligibility criteria and the possible impacts of losing access to this arrangement is provided within the enclosed Planholder Guide.

## What we are asking you to do next

Please read the Important Information section of this letter as well as the enclosed Planholder Guide which includes:

- a set of Questions and Answers about the transfer, including an explanation of what happens if the proposed transfer does not take place.
- a summary of the conclusions from the Independent Expert's report and a full summary of his report which has been provided to the Court; the Independent Expert Tim Roff is independent of the Group and his appointment has been approved by the Prudential Regulation Authority ("PRA"), following consultation with the Financial Conduct Authority ("FCA").
- a summary of the terms of the Scheme proposed to the Court and more information about the Court hearing.

You can raise any concerns or objections about this proposed transfer with us using the contact details provided, or you can raise objections directly with the Court.

## Further information

For more information about the transfer, including the legal Scheme document and the full report by the Independent Expert, as well as any supplemental report prepared by him nearer the time of the Court hearing, please visit [insert webpage address]. You can also request written copies of these documents by contacting us using the details provided.

Yours faithfully,

[Name]

[Title]

# Important Information

**If anyone has an interest in your policy, for example if it is jointly owned or if there are joint beneficiaries (including contingent beneficiaries) for an annuity, or if your policy has been assigned or is subject to a Court order, please share this letter and the accompanying Planholder Guide with them and make them aware of their right to raise an objection if they consider they will be negatively affected by the proposal.**

## How are your interests being protected?

The UK's Financial Services and Markets Act 2000 ("FSMA") sets out a process which allows insurers to transfer insurance business from one company to another, subject to the Court's approval.

Your interests and the interests of other policyholders are being protected by a rigorous approval process that includes:

- ✓ consultation with the UK regulators, the PRA and the FCA and the CAA
- ✓ the appointment of an Independent Expert who has produced a report for the Court, highlighting the likely impacts of the transfer on policyholders
- ✓ the opportunity for you and other policyholders to raise any concerns and object to the transfer
- ✓ the requirement that the transfer must be approved by the Court – it will only be approved if the Court considers it appropriate; the Questions and Answers include more information on the Court process

## Additional key points in respect of your policy

- SWE will be the provider of your policy from the Effective Date and you will start to see reference to it in our communications. However, your communications will continue to be branded Clerical Medical.
- There will be no change to the existing funds or your fund choices as part of this proposal.

## If you would like to raise any concerns or object to the transfer

If after reading the information available, you would like to raise concerns with us, you can email us at [insert email address] or phone us on [XXXX XXX XXXX]. You can also write to us at the address provided at the beginning of this letter (please quote your policy number).

If you wish to formally object to the proposal, you can do this by writing to us at the postal and/ or email address detailed above as soon as possible and preferably by 4 March 2019, setting out the reasons for your objection. We will pass on your concerns to the PRA, the FCA, the Independent Expert and the Court.

You also have the right to attend the Court hearing at 7 Rolls Building, Fetter Lane, London, EC4 1NL on 14 March 2019 and express your views either in person or by legal representation. More information on how to do this is in section 4.3 of the Planholder Guide.

## How will you keep me updated?

Future updates relating to the proposed transfer, including any changes to the Court hearing date will be posted on the website. A copy of the supplementary report to be prepared by the Independent Expert will be available on the website shortly before the Court hearing on 14 March. We will also announce the outcome of the Court hearing shortly after the hearing, so you may wish to check for updates at [insert webpage address].

## Contacting us about your policy

If you have a general query about your policy which is not related to the transfer, please use the usual contact details shown in your policy documents.

**If you would like a Braille, large print or audio version of this document, please contact us.**

[We work hard to keep your personal data secure, which includes regularly reviewing our privacy notice. When there's an important change we'll remind you to take a look, so you're aware how we use your data and what your options are. Please ask for a copy on [XXXX XXX XXXX.]] NOTE: this should point to the local data privacy notice