

28th March 2006

Resolution announces policy payouts on with-profits policies

Resolution plc (Resolution), the largest specialist manager of in-force UK closed life funds, today announces past performance results on £50 per month 25 year endowment policies across its full range of with-profits funds.

In recent years many closed life funds (including some of those now managed by Resolution) have stopped participating in past performance surveys. Resolution believes it is just as important for customers in closed funds to have up-to-date information on past performance as it is for those in open funds.

The table in the Notes to Editors shows the payout for each with-profits fund managed by Resolution and demonstrates clearly the differing financial position of the funds. Each with-profits fund is managed in accordance with its own Principles and Practice of Financial Management and subsidies between funds are not permitted. The performance for each with-profits fund largely reflects the historic performance of that fund prior to Resolution acquiring it, but will also reflect action taken by Resolution since acquisition to stabilise and improve the position of the fund.

The UK actuarial profession has noted that it expects payouts on long term with-profits policies to continue to reduce over the next few years. Payouts in the majority of the with-profits funds managed by Resolution, along with those of most other companies, followed this trend over the last year and were lower as at 1 February 2006 than a year previously. Exceptions to this trend are:

- 130,000 former Swiss Life UK policyholders have benefited from the initiatives announced on 24th January 2006, resulting in payouts on their policies increasing significantly and moving into the top quartile as at 1 February 2006; and
- a small number of holders of with-profits policies in the former Phoenix Assurance with-profits fund have continued to benefit from policy payouts significantly in excess of those offered by any other provider.

In the future all with-profits funds managed by Resolution will participate in the authoritative endowment past performance surveys published by Money Management magazine. Resolution would encourage other closed life funds to consider re-entering these surveys thereby improve transparency for consumers and allowing these surveys to show a more representative picture of the performance of with-profits policies across the UK life industry.

Ian Maidens, Group Chief Actuary, commented: *"We believe it is just as important for customers in closed funds to have up-to-date information on past performance as it is for those in open funds. The publication of policy payout figures today for all of our with-profits funds demonstrates our commitment to managing these funds in a transparent and open manner."*

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Notes to Editors

The table below shows the past performance results for the various with-profits funds managed by Resolution (shown in bold italics) together with those included in the Money Management survey and other company results obtained from company press releases.

Payouts on 25 Year With-Profit Endowment Policies			
£50 per month premium			
	1 Feb 2005	1 Feb 2006	Change Over Year
<i>Phoenix Life Limited (former Phoenix Assurance)</i>	209,090	304,696	46%
<i>Phoenix Life Limited (former Swiss Life Industrial Branch)</i>	47,181	97,523	107%
Red Rose	81,865	81,865	0%
Sheffield Mutual		73,519	
Liverpool Victoria	78,181	72,624	-7%
Wesleyan	70,165	70,117	0%
Healthy Investment	77,913	68,048	-13%
<i>Century Life (former NEL)</i>	67,114	67,851	1%
<i>Phoenix Life Limited (former Swiss Life Ordinary Branch)</i>	51,838	62,212	20%
Children's Mutual	62,843	56,737	-10%
Scottish Equitable	49,319	54,042	10%
<i>Britannic (former Allianz Cornhill)</i>		53,770	
Ecclesiastical	54,592	52,725	-3%
NFU Mutual	57,362	52,113	-9%
Norwich Union (former General Accident)	57,223	51,815	-9%
Norwich Union (former Commercial Union) (Note 1)		51,111	
<i>Britannic Assurance (Ordinary Branch)</i>	55,570	50,982	-8%
Prudential	51,583	50,498	-2%
Prudential (Scot Am)	48,008	47,252	-2%
Co-operative Insurance	52,157	47,229	-9%
Scottish Life	48,376	47,104	-3%
Norwich Union (former Norwich Union Life & Pensions)	48,451	46,653	-4%
Scottish Friendly	52,136	46,492	-11%
<i>Phoenix Life & Pensions (formerly RSA Life & Pensions)</i>	51,352	46,410	-10%
Clerical Medical	49,529	46,327	-6%
MGM	50,814	45,500	-10%
Legal & General	48,235	45,494	-6%
Scottish Mutual	42,193	43,032	2%
Scottish Widows	44,086	42,106	-4%
Standard Life	51,219	41,806	-18%
Friends Provident	45,295	38,843	-14%
Norwich Union (former Provident Mutual) (Note 1)		38,061	
<i>Phoenix & London Assurance (formerly Sun Alliance & London) (Note 2)</i>	43,419	37,385	-14%
Scottish Provident	42,635	36,746	-14%
<i>Britannic Assurance (Industrial Branch)</i>	42,508	36,150	-15%
<i>Alba Life (former Britannia Life)</i>	36,096	34,985	-3%
<i>Alba Life (former Crusader)</i>	31,763	31,329	-1%
<i>Alba Life (former Life Assurance of Scotland)</i>	29,446	29,041	-1%
Median	51,017	47,241	-7%
Average in Money Management Survey	54,452	52,445	-4%

Source: April 2006 edition of Money Management magazine

Note 1: Source is company press release

Note 2: Phoenix & London Assurance payouts are as at 1 January

Median and average payout results reflect only those companies included in the table. Inclusion of past performance in respect of all UK life funds would be likely to reduce these figures.

Initiatives in relation to former Swiss Life UK with-profits policies

The initiatives announced on 24th January 2006 for former Swiss Life UK policyholders are examples of the types of action that can be taken by Resolution's management to improve payouts to customers. They included:

- fixing the level of future expenses to be charged to the with-profits funds at significantly lower levels than those previously applying;
- buying most of the non-profit and unit-linked policies out of the with-profits funds; and
- merging the Industrial Branch and Ordinary Branch with-profits funds as part of a transfer of the business of Swiss Life UK to Phoenix Life Limited on 31 December 2005.