



22 May 2007

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Dear Member

EQUITABLE LIFE

I am writing to provide you with a progress update on my investigation into the prudential regulation of the Equitable Life Assurance Society during the period prior to 1 December 2001.

In my last update, on 16 October 2006, I explained that I was committed to ensuring that we would complete the work necessary to revise and finalise my draft investigation report in time to send it to the public bodies under investigation in January 2007. I also explained that, owing to the need to ensure that the relevant public bodies, those representing policyholders and annuitants, the Society itself, and other interested parties had an appropriate opportunity to read and comment on a revised draft report before my final report was published, the earliest that I might lay the final report before Parliament was May 2007.

I sent the draft report to Her Majesty's Treasury, the Government Actuary's Department and the Financial Services Authority at the end of January 2007. I have received a substantial joint response from these bodies (which runs to more than 500 pages). This addresses matters concerning the investigation process, the scope of the draft report, a range of legal and actuarial issues relating to matters covered by the report, and the merits of the relevant complaints.

Given the nature and extent of these representations, I will need some time to consider, together with my professional advisers, all of the points which have been made by the bodies under investigation.

Once I have done this, I will provide a copy of my revised draft report to those representing complainants and to those other parties who, in the interests of natural justice, should have an opportunity to respond to all or part of my draft report before I reach final conclusions on the subject matter of the complaints and thereafter publish my final report.



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This inevitably will have an impact on the timetable for completion of my investigation and it is clear to me that I will not be able to publish the final report before the summer Parliamentary recess. Indeed, at this stage, I can give no commitment as to the timetable for publication.

I recognise that this will be a disappointment to many of your constituents and I am sorry about that. At the same time, I am sure that my goal of producing a robust and authoritative report, which has benefited from the representations of those affected by my investigation, will ultimately best be served by my taking the time necessary to carefully consider the views of the bodies under investigation, of those representing Equitable policyholders and annuitants, and of others.

I will write to you again in October, once Parliament has returned from recess. We are sending a copy of this letter to all those who have registered complaints with us.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Ann Abraham', written in a cursive style.

Ann Abraham
Parliamentary and Health Service Ombudsman