



Name & Address

11 March 2004

Dear Name

I refer to your letter to us in regard to the Equitable Life Assurance Society, (“Equitable”).

The Financial Services Regulator was established on 1 May 2003. At the request of the Tanáiste, Ms Mary Harney, we undertook an investigation into the matters raised by Irish policyholders of Equitable.

Our investigation into the matter included amongst other things:

- Meeting with the Consumers’ Association of Ireland and a representative group of Equitable policyholders;
- An examination of documentation provided by Irish policyholders;
- Meeting with the Insurance Ombudsman;
- Meeting with the FSA in the UK;
- Contact with Equitable Life in the UK;
- Obtaining legal advice on the issues involved, and
- Contact with Regulators in other jurisdictions in which branches of Equitable were located.

On the basis of information received to date, we do not consider that we can bring about any significant improvement in the position of Irish policyholders. We are, of course, mindful that the recently published Penrose Report (a non-statutory UK report into the Equitable matter) may provide some further avenues for Irish policyholders and we propose to review the Report and liaise with interested parties to explore this further.

Some policyholders have asked if we could assist in relation to a proposal to move the business of the Irish annuitants to an insurance undertaking in Ireland. In general, policyholders may not transfer with-profits annuities due to the nature of the product.



The following findings and recommendations for the future arose from our investigation:

1. We will review the application of Codes of Conduct for Insurance Companies (applicable to both domestic and passporting) to ensure that the issues that have arisen in the Equitable case are addressed by the principles set out by the codes. Our interim codes are now in place for all insurance undertakings, including those passporting into Ireland under European Directives. Among other things, the interim code requires insurance undertakings to act with due skill, care and diligence in the best interests of its clients, to make adequate disclosures to its clients and to act honestly and fairly in conducting its business activities in the best interests of its clients and the integrity of the market.
2. Clarity is required in relation to the applicability of overseas compensation schemes and information will be provided to consumers on this as part of our overall strategy of providing information.
3. We have referred the files relating to this matter, which we received from the Department of Enterprise, Trade and Employment to our legal advisers and it is intended that these will be released to policyholders' representatives insofar as the law permits.
4. We will continue to liaise with the UK regulators in relation to any issues arising from the Penrose Report and in particular, any way in which it might open further avenues for Irish policyholders.
5. We have noted that it would be preferable to communicate frequently and comprehensively with affected parties when an issue such as Equitable arises. We therefore intend to adopt a proactive approach to any such problems as they arise as part of our consumer information role.

We intend to publish a copy of this letter on our website to inform other policyholders who have not contacted us.

Yours sincerely



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*Rialtóir Airgeadais*

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