



An independent association of
Equitable Life Members & Policy-Holders
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Equitable Members Action Group Ltd

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Sir John Chadwick
One Essex Court
London EC4Y 9AR

16th March, 2010

Dear Sir John,

At an EMAG board meeting on 9th March we discussed your Third Interim Report. We concluded that there was no point in our continuing to make submissions, which we have been doing in good faith, to your consultation process. We have thought all along that the instructions you received from H M Treasury were misconceived but your apparent preference for a “flexible approach” and our success in the Judicial Review gave us encouragement.

However, it appears to us that you have been engaged in re-trying the case that has been comprehensively and independently addressed already by Lord Penrose, the PO and the Divisional Court. But you and your actuaries seem to have now been overwhelmingly influenced by the Treasury’s dubious submissions. These are old arguments already discredited and dismissed.

What is most distressing to EMAG is the volte face since your second interim report and your acceptance of partisan actuarial advice that, instead of taking the PO’s report as a whole (as intended and reiterated in the Divisional Court ruling) looks at each maladministration in isolation and fails to look at the overall serial impact of these regulatory failures. Further, the proposed actuarial review of Tower’s Watson’s work, in preference to transparency, by three of their chosen nominees makes a mockery of the term “peer review”.

Since it is now clear that the wrongs perpetrated by the Treasury and other regulators will not in your scheme be righted, to the grave detriment of the majority of policyholder victims identified by the PO, EMAG’s board has decided to cease supporting your process.

I attach a copy of EMAG’s press announcement notice.

Yours sincerely,

Paul Braithwaite
General Secretary
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