

December 2007

Dear Policyholder

I am Clare Spottiswoode and I wrote to you in December 2006 to tell you that I had been appointed as your policyholder advocate, representing your interests in Norwich Union's proposed reattribution and transfer of two of its with-profits funds – CGNU Life Assurance Company Limited and Commercial Union Life Assurance Company Limited (CULAC).

I am writing to you now to bring you up to date on:
- my work since my appointment

and to tell you about
- the next steps in the process

The enclosed leaflet gives more detail, as well as answers to the most frequently asked questions. There is more information on our website and through our free phone service.

Hearing your views

I want to thank everyone who has taken part in the consultation and remind you that I am still very keen to hear your views. Please write to me or use the free phone service or website to leave a message.

Part of our consultation process was an on-line and telephone survey. The results are outlined in the leaflet and you can find the full detail on our website. We took some votes at our roadshows and these are included on the website as well.

I was delighted to meet policyholders in person at our six roadshows, answer your questions and hear your comments. We filmed our London event and this is available on DVD. Please call us and we will send you one.

Your eligibility to receive a payment

I have held discussions with Norwich Union about which policyholders qualify to be eligible for any payment and a guide to eligibility setting out the details has been published.

The next steps

Supported by my team of legal, actuarial and economic experts, I am now in negotiation with Norwich Union. The central part of this is how much money represents a fair amount for giving up your rights to possible 90 per cent special bonus distributions of surplus funds from the inherited estates. I am working hard to try to achieve an agreement that I can recommend to you so that you will have a choice about what to do. I hope that a worthwhile offer will emerge.

continued

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If the negotiations are successful the next step will be for me to write to you, probably in Spring 2008, with all the main details. I shall also explain how you can find out more about the work I have done.

Norwich Union will write to you at the same time giving you details and asking you to say if you want to accept its offer.

Answering your questions

I shall be delighted to answer your questions in person as well as in writing, through the press, TV and radio, through the website and I will undertake a second series of road shows. I will give you full details with my next letter.

My aim will be to give you plenty of time and all the information you need before you have to decide what you want to do. I plan to give you helpful recommendations. As I do not know your personal circumstances I will also recommend that you speak to an independent financial adviser.

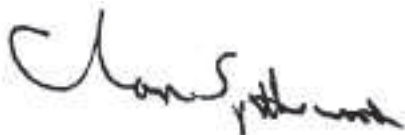
The High Court

If enough policyholders vote to take an offer from Norwich Union, there will be a hearing in the High Court in London in the first half of 2008. The Court is another way of protecting your interests and it will take evidence from me, the Independent Expert and the Financial Services Authority. If the Court is satisfied, the Norwich Union scheme can go ahead and payments can be made from mid-2008.

You do not need to do anything at the moment - but please look through the enclosed leaflet because it will help you make a decision about any offer that is made in the future.

I look forward to writing to you again. In the meantime please do keep sending me your comments and questions and if you have internet access, register for our occasional email updates.

Yours faithfully,

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

Clare Spottiswoode CBE