
POLICYHOLDERS ADVOCATE

Pru With-Profits

Statement by Peter Bloxham in response to the decision by Prudential not to proceed with a reattribution of the PAC inherited Estate

Prudential has announced today that it will not be proceeding with the reattribution of the Inherited Estate that rests within the With-Profits Sub-Fund of the Prudential Assurance Company Limited (PAC). Consequently, I will not be appointed as the Policyholder Advocate to represent Prudential's with-profits policyholders. The decision was the company's alone and I was not involved in the process that led to the decision not to proceed.

Reattribution of an estate of this complexity and size was always going to be a difficult undertaking. All reattributions are different. Prudential has ultimately concluded that a reattribution of its inherited estate was not in the best interest of its policyholders and shareholders.

I was nominated for the role of the independent Policy Advocate in March 2007. Over the past fifteen months, my team and I have worked hard getting to grips with the issues and preparing for the expected appointment. We were ready to move quickly to consultation with policyholders, if Prudential had decided to proceed with the reattribution. We were looking forward to moving ahead with the process of representing policyholders.

Over the period of my nomination, public awareness about the with-profits industry and the nature of inherited estates has risen sharply. In my capacity as Prudential's nominated policyholder advocate for with-profits policyholders, I contributed to the recent Treasury Select Committee inquiry into inherited estates, submitting written evidence to the Committee.

There is now a much greater degree of interest around how insurers use their inherited estates and I anticipate that this is unlikely to diminish.

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