

ADDRESSEE NAME
ADDR LINE 1
ADDR LINE 2
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ADDR LINE 4
ADDR LINE 5

Telephone Number: 01 638 2900
Lines open: 9:00am to 5:00pm
Monday to Friday
Email: info@pglireland.net
Date Issued: June 2009

Reference Number: 123456701

Dear Sir/Madam

Your annual bonus update

I am writing to provide you with information about the with-profits fund between the period 1 January 2008 to 31 December 2008. This includes:

- the most recent performance of the with-profits fund.
- changes to the way in which we manage the with-profits fund.

You do not have to contact us at this point. However, it is important that you read the information below, as well as the enclosed 'Additional Information', as this could affect any decisions you might make about your policy now or in the future.

It is important that you review your investment and pension arrangements on a regular basis and we recommend that you speak to your independent intermediary.

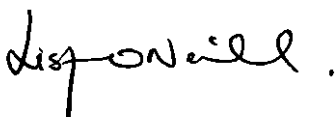
Have your details changed?

If any of your details have changed or are incorrect, please complete the relevant section of the enclosed form and return it to us to enable us to update our records.

If you need to contact us

If you have any questions please call our Customer Helpline on the number above. You can also write to us using the address at the top of this letter.

Yours faithfully



Lisa O'Neill
Operations Manager

Enclosures: Additional Information
Changes of details form



Date: June 2009

Additional Information

Each year we provide an update on the performance of the With Profits Fund and how this affects our policyholders. You should read these pages carefully.

Further information about the With Profits Fund

The annual bonus rate for With-Profits Series 3 and With-Profits Series 4 units is declared in advance. From 1 May 2009 the annual bonus rate is 0.75%. This annual bonus rate increases the value of with-profits units. The annual bonus has been reduced compared with the rate declared last year because of the current low interest rate environment and the poor investment returns achieved in 2008.

We have reviewed our policy of concentrating on final bonuses and reducing market value reductions (MVRs) before increasing annual bonuses to provide policyholders with their fair share of the investment returns. We continue to believe that this is the best and fairest way for all our policyholders to benefit from the returns of the with-profits fund and we will review the levels of final bonus at least twice each year, normally from January and July. Final bonuses are not guaranteed and we may change them at any time.

Asset Split

The with-profits fund consists of a wide range of assets with the aim of providing good growth potential over the medium to long term. On 31 December 2008 assets of the fund were:

Fixed Interest Stocks	45%
Company Shares (equities)	44%
Property	0%
Cash/Other	11%

Fund Performance


From 1 January 2008 to 31 December 2008, the Fund delivered returns of -17% (before tax and charges).

Please remember that past performance is not an indication of future performance and the value of investments can fall as well as rise.

Final bonus and market value reduction (MVR) review

Final bonus rates are reviewed at least twice a year, normally in January and July. Final bonuses are not guaranteed and we may change them at any time. Final bonuses were last reviewed with effect from 1 January 2009. The current scale of final bonus rates is available on our website www.phoenixireland.ie under the 'Latest News' heading.

If you require a copy of the current final bonus rates, please write to us, or call our customer helpline using the details on the top of this letter.



We may apply a market value reduction (MVR) to make sure that any amount paid out when a policy is surrendered reflects the performance of the with-profits fund up to that point. We do this to ensure that we are being fair to policyholders leaving the with-profits fund and those remaining in the with-profits fund.

Market value reductions are not guaranteed and we may change them at any time. Any changes will be updated immediately on our website www.phoenixireland.ie. We will not apply a market value reduction on death. We will additionally not apply a market value reduction on maturity, on retirement at the selected retirement date or on surrender at a guarantee date. Please see your policy documents for more details.

Change of name to Phoenix

The brand name Scottish Provident Ireland changed to Phoenix Ireland with effect from 6 February 2009. All communication issued after this date will have the Phoenix Ireland Logo instead of Scottish Provident Ireland logo.

Changes to how we manage our with-profits fund

You may recall that we aim to operate our with-profits fund in accordance with our Principles and Practices of Financial Management (PPFM).

During 2008 we made some changes to the Scottish Mutual International Limited PPFM. The changes we made are set out below.

- We have updated the PPFM to reflect changes which occurred in the business over the year. Our previous owner, Resolution plc, was taken over by Pearl Group Limited. Pearl Group Limited is now the ultimate owner of Scottish Mutual International. This has no direct impact on the with-profits fund.
- We updated the final bonus section to clarify the investment returns that we may allow for when we review final bonus rates.

We also made some presentational changes to the PPFM document itself which do not affect the way we manage the with-profits fund. During 2009 we expect to update the PPFM document to be more consistent in style and presentation with our parent company, Phoenix Life Limited. This will not affect the way in which the with-profits fund is managed.

How can I find out more?

You can request a copy of the guide to how we manage the with-profits fund by calling our Customer Helpline or, if you prefer, by writing to us or e-mailing us. Our contact details are on the first page of this letter. You can also view the full PPFM document on our website www.phoenixireland.ie.

Change of details form, continued

PLEASE ENSURE THAT YOU COMPLETE THIS SECTION:

First policy holder signature:

Date

Second policy holder
signature:
(if applicable)

Date

As there may be occasions when we have to contact you about the information that you have provided, please provide a contact telephone number. Please also indicate if a morning, afternoon or early evening call would be preferred.

Telephone number:

Preferred call time (please tick all that apply):

morning:

afternoon:

early evening:

We will only use this number to contact you about the information you have provided above.

