

ADDRESSEE NAME
ADDR LINE 1
ADDR LINE 2
ADDR LINE 3
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

Policy Number: 4567890A

Dear Policyholder

Your annual bonus update

I enclose your annual Policy Statement for the period 1 January 2008 to 31 December 2008.

This statement provides you with information about:

- any bonus we added to your policy on 31 December 2008.
- 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 Policy Statement and 'Additional Information', as this could affect any decisions you might make about your policy now or in the future.


We would like to take this opportunity to remind you of the transfer of the life assurance, pension and investment business from Scottish Provident to Phoenix Life Limited on 6 February 2009. You will start to notice the Phoenix logo and new company name on your future correspondence with us. We have updated the guide to how we manage the with-profits fund to reflect this transfer and have included a copy.

If your policy has a maturity (end) date, we will contact you before the maturity of your policy with details of your options.

It is important that you review your investment arrangements on a regular basis. To do this or if you are interested in making further savings and investments, 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 or write to us. Our contact details are on the first page of this letter.

Yours faithfully

Lisa O'Neill

Lisa O'Neill
Operations Manager

Enclosures: Policy Statement
 Additional Information
 Changes of details form
 A guide to how we manage the with-profits fund

ADDRESSEE NAME
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Policy No. 4567890A

Bonuses added at 31 December 2008

Life Assured: ADDRESSEE NAME

Policy Number	Mortgage Repayment Year	Guaranteed Cash Sum in that year	Declared bonuses			
			Previous total %	2008 addition %	New total %	Total Bonus to date
4567890A	2013		nil	nil	nil	
Minimum sum payable on death €0.00						
Please see the explanations and notes overleaf.						



Your bonus statement explained

Mortgage repayment year

This is the year when we pay the proceeds of your policy. If no year is shown, we will pay the proceeds of your policy when the life assured dies.

Guaranteed Cash Sum in that year

This is the basic amount we will pay when your policy matures or, for some contracts, when the life assured dies. We will also pay any bonuses on top of this amount.

Previous total %

This is the total of all annual bonuses we have previously added to your policy.

2008 addition %

This is the bonus we will add to the previous total.

New total %

This is the sum of the previous total and the 2008 addition.

Total Bonus to date

The total amount of bonus added to your policy to date.

Bonus notes

1. The bonus will be paid with the basic with-profits sum assured when your policy matures or when the life assured dies. You cannot take it as a cash sum now.
2. If no year of maturity is shown on your statement we will pay the bonus along with the basic with-profits sum assured when the life assured dies.
3. We assume that your premiums are up to date and that any premiums due will continue to be paid.
4. If you have any other types of with-profits policy they will be shown on a separate statement.
5. This statement is for information only and does not give any legal right. It may not reflect any recent dealings relating to your policy. We may correct any mistake this statement may contain.
6. Where your policy is segmented, the figures quoted relate to each individual segment.
7. If you take your benefits early, stop paying or reduce contributions to your policy the total benefit will be less than shown in the table above.
8. Please remember the addition and amount of any future bonuses is not guaranteed. The value of any final bonus can go down as well as up, which will affect the benefits you receive.

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 on the with-profits fund between 1 January 2008 and 31 December 2008 was 0% of the basic benefit and 0% of the previous bonuses.

We have reviewed our policy of concentrating on final bonuses before reintroducing or increasing annual bonuses. 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.

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 - issued by European governments	19%
Fixed Interest Stocks - other	26%
Company Shares (equities)	43%
Property	0%
Cash/Other	12%


Fund Performance

From 1 January 2008 to 31 December 2008, the return on the investments in the with-profits fund was -19% (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.

We have included a copy of the guide 'How we manage the Phoenix Life Limited SPI With-Profits Fund' ("the guide"). In this guide we mention that we work out bonuses by considering the underlying value of policies. We also mention that we expect to include a fair share of any distribution of the estate in the underlying value of with-profits policies once the estate is large enough to cover the risks in the with-profits fund.

We are currently including a distribution of the estate when we set final bonuses. Based on the estate at the end of June 2008, we added a small estate distribution of 2.0% to the underlying policy values for 2008. We also included an additional small estate distribution of 0.5% of underlying policy values when we set the January 2009 final bonuses. This means that final bonuses are currently higher than they would otherwise be. Based on the estate at the end of December 2008, we expect to include a similar level of estate distribution when we set the July 2009 final bonuses.



We do not guarantee that we will be able to continue this level of estate distribution in future and we normally review the level twice a year. In particular poor investment conditions are likely to mean that we will reduce or remove the current estate distribution.

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 Provident Limited SPI Fund ('the with-profits fund') 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:
 - Resolution plc was taken over by Pearl Group Limited. Pearl Group is now the ultimate owner. This had no direct impact on the with-profits fund.
 - Our main outsourcer changed its name from Resolution Management Services to Pearl Group Management Services (PGMS). This had no direct impact on the with-profits fund.
 - Our investment manager changed its name from Resolution Asset Management to Ignis Asset Management. This had no direct impact on the with-profits fund.
- We updated the smoothing section to show how we had applied smoothing for the January 2009 final bonuses due to the unusual investment conditions. For the January 2009 final bonus changes we allowed an additional 5% reduction in total maturity payouts before smoothing applied. This meant that we generally limited reductions in total maturity payouts to 12.5% compared to similar maturity payouts in July 2008. Normally we would have generally limited the reduction in similar maturity payouts to 7.5%.
- In the final bonus section, we added an indication of the likely levels of investment return variance that would prompt us to review final bonus rates between normal scheduled reviews.
- We clarified that market value reductions may be applied to reduce final bonuses on surrenders.
- We updated the final bonus section to reflect that we normally review final bonuses from January and July each year.
- We updated the estate section to reflect that we review the estate at least once a year and the latest estate distribution.
- We updated some of the information to reflect the latest position. In particular asset mixes were updated.

Each year we publish a report to demonstrate how we have complied with the PPFM. Our annual report to demonstrate how we have complied with the PPFM for 2008 will be available from July 2009 on our website www.phoenixireland.ie, or you can contact us for a copy.

We wrote to you in August / September 2008 about our proposal to transfer certain Scottish Provident Limited policies and certain policies of our sister company Scottish Mutual Assurance Limited to Phoenix Life Limited. This transfer took place on 6 February 2009 as a result of schemes approved by the UK High Court, the Royal Court of Jersey and the Royal Court of Guernsey. The Scottish Provident Limited with-profits policies were transferred to the newly created Phoenix Life Limited SPI With-Profits Fund. The Scottish Mutual Assurance Limited with-profits policies were transferred to the newly created Phoenix Life Limited Scottish Mutual With-Profits Fund. The remaining policies were transferred to the existing Non-Profit Fund in Phoenix Life Limited.

The transfer should not lead to any change in the way in which we manage the fund in which your policy is invested.

Your with-profits policy is now invested in the Phoenix Life Limited SPI With-Profits Fund.

The February 2009 PPFM for Phoenix Life Limited was updated to allow for this transfer. Changes were made to take account of the transfer, related events and to create a consistent style and presentation. Apart from those changes, the February 2009 Phoenix Life Limited PPFM reflected the existing Phoenix Life Limited PPFM and the PPFMs of Scottish Provident Limited and Scottish Mutual Assurance Limited.

We have updated the guide to how we manage the with-profits fund to reflect the transfer and we have included a copy. This replaces the equivalent guide we sent you in 2006. Please read this guide and keep it in a safe place with your other policy documents.

This description of changes should be read with our revised PPFM document which is available on our website www.phoenixireland.ie, or you can contact us for a copy on (01) 638 2900, Monday to Friday, 9.00am to 5.00pm or by e-mail info@pglireland.net.

How can I find out more?

The guide to how we manage our with-profits fund and the full PPFM document are available on our website www.phoenixireland.ie. You can also ask for a copy using the contact details on the first page of this letter.



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.

