

Our Reference: Final Bonus/SH
July 2008

Intermediary Name
Address1
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Dear Intermediary

Scottish Provident Ireland – With Profits Funds update

I am writing to update you with details of our revised Final Bonuses & Market Value Reductions (MVRs) for Scottish Provident Limited (SPL) and Scottish Mutual International (SMI) domestic business, which come into effect from 1st July 2008.

Final bonus rates have been reviewed against the previous (January 2008) final bonus rate review and the investment experience since these rates were implemented.

Scottish Provident Limited – SPL

Traditional With Profits Maturing Policies

Please visit our website, www.scotprov.ie, section 'Latest News', document title, 'Final Bonuses / MVRs applicable from 1st July 2008', for more details.

Traditional Life

Regular premium plans

For regular premium business the maturity payouts for most policies have reduced by around 7%.

Single premium bonds

For 10-year Single Premium Endowment Bonds, final bonus has reduced from 33% to 23%. This is because the investment performance for the new 10 year term under review has not been as good as the performance for the previous 10 year term. We have restricted the fall in payout to 7.5% in accordance with our smoothing practices.

Traditional Pensions

In January 2008 we introduced separate final bonuses for the two main classes of pension plans, Executive Pension Plans ("E-Types") and Self Employed Deferred Annuities ("SEDAs") as we believe separate scales represent a fairer approach.

E-Types Plans

Most plans have slightly increased maturity payouts of around 3%, however some payouts have reduced by up to 6%.

SEDA Plans

Plans generally have reduced final bonuses which reflect reduced investment returns, while we have also reduced maturity bonuses on SEDAs sold between 1999 and 2003.

Encashment / Transfer Values

We have also reviewed surrender and transfer values to take into account falls in investment markets since the last review. Encashment / transfer values have in general fallen, and where this has happened the change is necessary in order to return a fair share of the with-profit

fund to exiting with-profit policyholders without causing detriment to the remaining policyholders in the with-profit fund

Unitised With Profits

Payouts on maturities have fallen to take into account falls in investment markets. Falls have been restricted to 7.5% except where MVRs apply. There is a Market Value Reduction (MVR) of 6% for units purchased in 1999 and 6% for units purchased in 2007. MVRs continue to be reviewed monthly.

The next planned review of final bonuses is 1 January 2009 however, depending on investment experience, final bonuses may be reviewed outside the January/July review dates.

Scottish Mutual International (SMI) - Unitised with profit policies written on or after 1 August 2001

Policies invested in the SMI Dublin With Profits Fund are currently receiving an annual bonus of 2.25%.

The revised final bonus rates reflect the unfavourable investment experience since the last review with an average reduction of 7%.

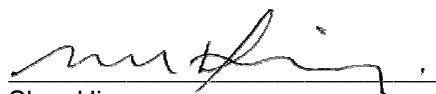
Market Value Reductions (MVRs) are now in place for units purchased between August 2001 and May 2002 and December 2005 to December 2007 (with the exception of units purchased in May 2006, June 2006 and July 2006).

Full details are also available on our website in the document 'Final Bonuses / MVRs applicable from 1st July 2008'. MVR Rates continue to be reviewed monthly.

If there are other individuals in your organisation that you feel should have a copy of this note, can you please pass it on to them.

Further information can be obtained from our website www.scotprov.ie by emailing us at, info@resolutionireland.com, by writing to the above address or calling our Contact Team on 01-639-9859 between 9.00am and 5.00pm Monday to Friday.

Yours sincerely



Shay Hiney
Intermediary Relationship Manager