

Structured Settlement Arrangements Reorganization of SLAC 2006
Frequently Asked Questions

PURPOSE

The purpose of Structured Settlement Arrangements Reorganization of SLAC 2006 is to complete the reorganization of the business of the Canadian Branch of The Standard Life Assurance Company 2006 (formerly called The Standard Life Assurance Company) [the “Mutual Branch”]. Under the proposed transaction, all of the Structured Settlement Policies issued or entered into by the Mutual Branch will be assumed (assumption reinsured) by the Canadian Branch of Standard Life Assurance Limited (the “New Branch”). This assumption by the New Branch should be completed on or soon after June 15, 2007. “Structured Settlement Policies” means (i) the annuities issued by the Mutual Branch pursuant to structured settlement arrangements; and (ii) the contracts entered into by the Mutual Branch in respect of structured settlement arrangements. All such policies were issued or entered into prior to July 10, 2006.

BRIEF HISTORY

In early 2004, The Standard Life Assurance Company 2006 proceeded with a worldwide strategic review of its operations and prospects. This led to the reorganization of that company and ultimately, to the demutualization of **The Standard Life Assurance Company 2006** on July 10th, 2006.

As the global head office of the Standard Life group is based in the United Kingdom, the demutualization was done under the laws of that country. Since then, the shares of Standard Life plc have been traded on the London Stock Exchange. Standard Life plc is a UK holding company for the Standard Life group of companies.

Upon demutualization, most of the insurance business of **The Standard Life Assurance Company 2006** was transferred to a new UK insurance company: **Standard Life Assurance Limited** which is a wholly owned subsidiary of Standard Life plc. Substantially all of the Canadian insurance business of the Mutual Branch was transferred to and assumed by the New Branch or The Standard Life Assurance Company of Canada (“Standard Life Canada”) in two transactions – one occurring on December 31, 2004 and one occurring on July 10, 2006.

In Canada, the only policies of the Mutual Branch not assumed by **Standard Life Canada or the New Branch** were the Structured Settlement Policies. The proposed transaction will result in the assumption by the New Branch of these Structured Settlement Policies.

Two mailings will be sent to policyholders involved in the change.

A notice will be sent to all Structured Settlement policyholders and to all payment recipients under such Structured Settlement Policies advising them of our intention for the New Branch to assume these policies from the Mutual Branch. Once the transaction is complete, the above policyholders and payment recipients will be receiving, respectively, a certificate of assumption or a confirmation letter confirming the assumption by New Branch.

FREQUENTLY ASKED QUESTIONS

What is this all about?

The Standard Life Assurance Company 2006 [formerly know as The Standard Life Assurance Company] commenced a major reorganization of the Standard Life group in 2004. When **The Standard Life Assurance Company 2006** demutualized on July 10th, 2006, most of its non-Canadian insurance business was transferred to Standard Life Assurance Limited. Substantially all of the Canadian insurance business of the Mutual Branch was assumed by the Canadian Branch of Standard Life Assurance Limited (“New Branch”) or Standard Life Canada. The only policies left in Mutual Branch are the Structured Settlement Policies, all issued or entered into prior to July 10th, 2006. Structured Settlement Arrangements Reorganization of SLAC 2006 the last phase required to complete the reorganization. This will permit New Branch to assume all Structured Settlement policies issued or entered into by the Mutual Branch of The Standard Life Assurance Company 2006.

What is the impact on my policy?

There will be no changes made to your policy. The only difference is that your policy is now being assumed by a different entity (the Canadian Branch of Standard Life Assurance Limited rather than the Canadian Branch of The Standard Life Assurance Company 2006).

Will my payments change?

Your payments will remain the same. In fact, nothing in your policy will change. The only difference is that a different company (the Canadian Branch of Standard Life Assurance Limited rather than the Canadian Branch of The Standard Life Assurance Company 2006) is now liable to make such payments to you.

Will my policy number change?

Your policy number will remain the same.

If it has no impact on my policy, then why are you sending this document to me?

As liability for your policy and for the payments under it will be assumed by a different company, it is our obligation to inform all policyholders and payment recipients of this change of company.

FREQUENTLY ASKED QUESTIONS (cont'd)

Will you be sending additional documents?

A notice has been sent to all Structured Settlement policyholders and payment recipients advising them of our intention for the Canadian Branch of Standard Life Assurance Limited to assume the Structured Settlement Policies from the Canadian Branch of The Standard Life Assurance Company 2006. Once the transaction is complete, the above policyholders and payment recipients will be receiving a certificate of assumption or confirmation letter confirming the change of company.

Would it be possible to receive a copy of the Assumption Agreement?

As indicated in the Notice, a copy of the Assumption Agreement and the report and opinion of the Independent Actuary will be made available for one's review during regular business hours or copies of these documents can be requested in writing to our Canadian Head Office mailing address or emailing at Demutualisation2@standardlife.ca

How safe are my payments?

Standard Life's financial position in Canada remains secure. The Canadian Branch of Standard Life Assurance Limited, and Standard Life Canada (which provides further backing for these policies), are regulated in Canada by the Office of the Superintendent of Financial Institutions (OSFI), which has many controls in place to help ensure sufficient assets are held to back our Canadian policies.

How can I get the complete copy of the Independent Actuary report?

You can receive a copy by:

- Presenting yourself at 1245 Sherbrooke St. W., Montreal, Quebec on or before May 18, 2007 or
- By writing to the address specified in the notice: The Standard Life Assurance Company of Canada 1245 Sherbrooke St. W. Montreal QC H3G 1G3 or emailing at Demutualisation2@standardlife.ca

Please provide your full mailing address with your request. We shall mail you a copy of the requested documents.