

**Demutualization Letter to Member**

The following pertains to entitlements to share in any demutualization payments resulting from membership in an employer sponsored pension plan or from being a beneficiary under a pension annuity insurance contract purchased as a result of your participation in an employer sponsored pension plan.

We understand that demutualization payments are being made as a result of federally registered mutual insurance companies converting into a corporation with common shares. These demutualization payments will be made pursuant to the requirements of the Insurance Companies Act (Canada). Under federal legislation, the entity entitled to the demutualization payment is the policyholder, which is typically the employer. It appears that the federal legislation does not require the consent of a provincial regulator before a demutualization payment is made to the policyholder, nor require that any demutualization payment is shared with the beneficiaries of a pension annuity insurance contract or present or former company sponsored pension plan.

Whether beneficiaries under a pension annuity insurance contract are entitled to any part of a demutualization payment may only be determined by reviewing all relevant documents, including the pension annuity contract, any relevant communications made by the employer/policyholder to the beneficiaries of the pension annuity contract and the terms of any related existing or former pension plan or plans. As the employer has access to all the relevant documents, only the employer is in a position to make this assessment. In doing so, the employer should exercise care and diligence, as well as seek the necessary legal, pension and other related advice.

You may wish to contact your employer, former employer or the administrator of your pension plan regarding any entitlement that may exist in relation to the demutualization payments. You may also wish to contact the Life Insurance Company to find out who received the demutualization payment under the pension annuity contract.

If you are not satisfied with the response you receive from the policy holder/employer, you may wish to seek your own independent legal advice on this matter.

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