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Myners Review
Room 4/16 HM Treasury
1 Horse Guards Road
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11th August 2004

Dear Sirs

I have read your Consultative Paper with interest, and feel I should give you my comments. These are made with my experience of, (a) having had with profits policies with mutual life offices, (b) working for (another) mutual life office and, especially, (c) being, for many years, a non-executive Director of a small mutual Friendly Society.

However I would emphasise that my comments are my own and do not reflect the opinion of my Friendly Society or my fellow Directors.

I enclose my comments on your sixteen questions but must stress that my main concerns are that mutual with-profit policy holders (who own the office) should be given the same legal rights as the shareholders in a public company as regards information, accounts and opportunities to vote on all issues. They are often only contacted directly by the sales force.

Furthermore whereas in a proprietary company the shares are often mainly held by institutions that provide exhaustive analysis of the company's performance and (especially now) call the Directors to account. This seldom happens in mutual offices unless or until the disaster has happened (eg Equitable). I feel that, especially in small friendly societies, the Financial Services Authority should be more demanding in the experience of non executive Directors who are often elected by very few members on the sole basis of "friendship". I have written to the FSA on this point in respect of my Friendly Society and can provide copies if you require.

I trust the above will assist you in your efforts.

Yours Sincerely

C.N. Coles FIA., F.P.M.I.