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PARTNERSHIP MAINTAINS PAYMENTS ON RPI-LINKED ANNUITIES TO PROTECT PENSIONER INCOME

Partnership, the UK's leading provider of ill-health retirement and care solutions, today announced that, as a temporary measure, it will not impose a cut in income payments on its RPI-linked annuities after it was announced last week the index had fallen to -0.4% in March.

Customers affected, whose annuity payments under their contractual terms would normally have fallen in line with RPI, will not see a reduction in their income.

Partnership has come to the decision following discussions with their Policyholder Liaison Representative and will be writing to customers today to notify them of the conditions of the change. The decision will remain under review over the coming months, and Partnership cannot guarantee to extend it indefinitely. **Partnership will be offsetting the net effects of the policy by temporarily freezing incomes when RPI increases until payments have balanced.**

Philip Brown, Head of Retirement Product at Partnership, said: "As a responsible provider, we want to do what's best for our customers at this challenging time. People who take out index-linked annuities are always advised that their income may go down as well as up, but we feel strongly that this fall in RPI is due to temporary factors that are likely to be reversed in time."

-ENDS-

For further editorial information, or to arrange an interview, contact Enda Joyce or Sabrina Russo at hanover on 020 7400 4480.

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Notes to editors:

1. The change will take effect initially for those customers whose policy anniversary falls on or after 21 July 21 2009, as any changes to income are linked to the RPI three months prior to the policy anniversary.
2. Partnership's RPI-linked annuity product literature prominently features the following warning: "If you choose to link your level of income to the RPI, the amount you receive will be based on the 12 month movement in the RPI as at three months prior to your annuity's anniversary date, with the adjustments coming into effect on the anniversary date."

Please note that linking to the RPI could increase or decrease your payments over time: in the event of negative inflation (deflation), your income would be reduced and could be lower than it was at the outset of the annuity."

3. For more information about Partnership products and services, please visit www.partnership.co.uk

About Partnership

Partnership is the UK's longest established provider of financial products for people living with health conditions. We offer a range of products in three key areas: retirement, long term care, and protection and cater for a wide range of conditions – from the manageable such as hypertension – to more serious conditions like cancer.