

**MARK HOBAN MP**



**HOUSE OF COMMONS  
LONDON SW1A 0AA**

Paul Braithwaite Esq  
EMAG  
Camburgh House,  
237 New Dover Road  
Canterbury  
CT1 3DN

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Dear Paul

Following your meeting with Oliver Letwin and me, I can confirm that we support the EMAG pledge and we will encourage Conservative candidates to sign it.

Since the Ombudsman published her report in July 2008, we have made it clear that we accepted her recommendation that compensation should be paid as a consequence of maladministration.

We support her recommendation that this should be based on the relative loss suffered by policyholders and we believe that this should ensure that the payment scheme is simple, transparent and fair.

We also support the Ombudsman's view that it is appropriate to consider the impact of any scheme on the public purse. This will need to be borne in mind when we set the terms of reference of an independent scheme to implement her recommendations.

The design of this scheme will be determined independently of government with two exceptions:

- There should be no means testing; and
- Payments should be made to the dependants of deceased policyholders.

We would welcome EMAG's co-operation with the independent process to design and implement the compensation scheme.

It is time for the Equitable Life's policyholders to receive the justice they deserve. As David Cameron said recently, "If we win the election, we're going to sort out Equitable Life very early on". We believe by endorsing EMAG's pledge and setting out this process we will deliver on that commitment.

Yours sincerely,

Mark Hoban