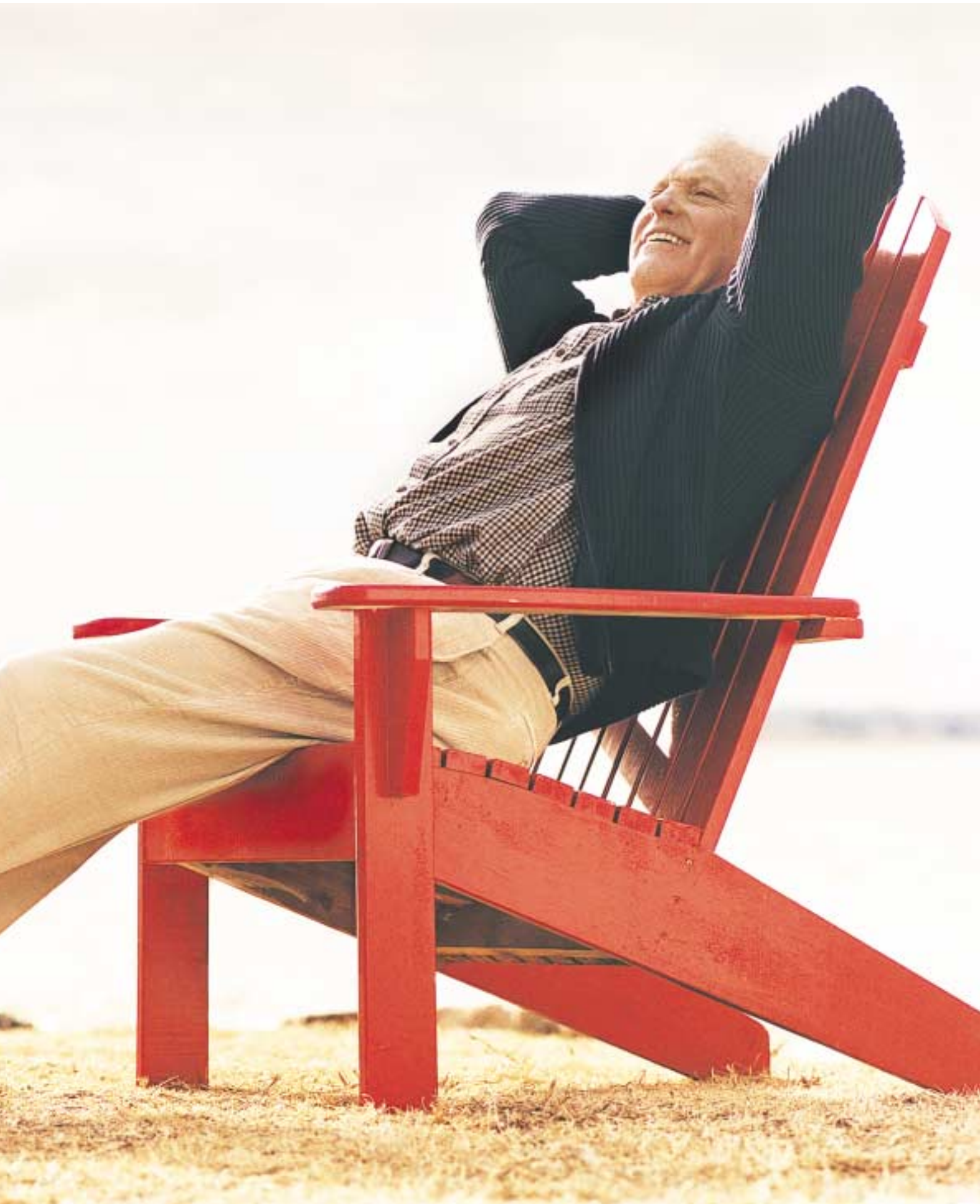


London & Colonial and Gibraltar

Take control of your pension



London & Colonial and Gibraltar

Gibraltar has been one of Britain's overseas territories for over 300 years. As the only other country in Europe using the English common law system, it is the sole British based international finance centre within the European Union, and enjoys complete financial independence.

It boasts:

- A highly educated workforce including many UK-trained professionals
- EU membership as a dependent territory since 1973
- Access to the single market
- Pound sterling currency
- Sophisticated financial services industry
- Flourishing shipping, tourism, telecommunications and e-commerce industries

Gibraltar has one of the best-regulated finance centres in the world, its jurisdiction being widely regarded in Europe and the USA as a benchmark in terms of supervisory infrastructure. It has implemented all EEA Directives relating to the insurance business and its regulatory and supervisory infrastructure matches all relevant UK standards.

Frequently asked questions:

London & Colonial Assurance plc is registered in Gibraltar. Why was Gibraltar chosen?

Gibraltar was chosen so that the insurer could take advantage of the unique segregated account structure. This type of structure has yet to be recognised under corporate law in the UK. Gibraltar was the first EU jurisdiction to allow a company to be established using the segregated cell structure.

Given the strong opinion of the majority of residents, a referendum in favour of new sovereignty seems highly unlikely. Even in the event of such a change, there is no suggestion that the law of contract concerning the segregated account structure should be affected. Furthermore, Spain is an EU member, so if sovereignty were to be shared with or passed to Spain, London & Colonial products would still be recognised by the UK HM Revenue and Customs.

Does Gibraltar have good regulatory standards?

Yes, it is a highly regulated financial centre that:

- Matches all relevant EU and UK legislation and standards
- Benefits from insurance supervisory standards equivalent to those in the UK
- Is governed by a statutory body (Financial Services Commission) that is totally independent of the government
- Is home to many leading regulators with extensive experience of the UK regulatory environment
- Has been accredited with the Moody's 'AAA' country rating since December 1997
- Has been awarded 'Qualified Intermediary' (QI) status by the US Internal Revenue Service (IRS), an endorsement reserved for institutions from a select band of jurisdictions

The regulation of Gibraltar's financial services has the full endorsement of the International Monetary Fund, following a rigorous examination by their commissioned team of independent experts. Gibraltar is only the third jurisdiction to volunteer for such internationally recognised regulation. The IMF noted that:

- Gibraltar *"is at the forefront of the development of good practices...and ranks as a well developed supervisor."*
- The Financial Services Commission *"carries out its duties diligently and has an intimate knowledge of the institutions under its supervision."*

Excerpts from Gibraltar Insurance Companies Ordinance 1987

"The Commissioner must be satisfied that the applicant will carry on insurance business with integrity and prudence..."

"Every licensed insurer that has its head office in Gibraltar shall at all times maintain a solvency margin in respect of the business it carries in the Community, together with relevant technical reserves."

"All directors are required to be approved by the FSC."

"Regulations must be abided by in the country where the Head Office is and the country where the company is providing services to" (i.e. the UK).



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