



**MNOFP Trustees Limited**  
Ashcombe House, The Crescent,  
Leatherhead, Surrey KT22 8LQ

Telephone: 01372 200900  
Fax: 01372 200920

[Letter sent to all Old Section Employers]

«Name»  
«Title»  
«CompanyName»  
«Address»

September 2009

Dear «Dear»

**Merchant Navy Officers Pension Fund (the "MNOFP") – Old Section**  
**«Ercod»**

We refer to our letters dated 12 August 2008 and 9 February 2009 and are writing to update you regarding the Trustee's strategic review of the Old Section of the MNOFP.

As you will be aware, the Trustee has been progressing the development of a strategy to ultimately secure all Old Section benefits. As part of this process the Trustee has been investigating the possibility of securing some of the liabilities through the purchase of annuities.

I am pleased to be able to tell you that the Trustee has recently secured a significant proportion of the pensioner liabilities through an insurance policy with Lucida plc, a UK insurer authorised and regulated by the Financial Services Authority (FSA). The insurance policy is held as an investment of the Old Section, representing about 40% of Old Section assets, and covers a proportion of all current pensioner (and associated dependant's) benefits.

This insurance policy provides additional security for members' benefits due to the regulation of Lucida plc as an insurer by the FSA, the additional capital reserve that Lucida plc is required to hold to provide the policy and the protection offered by the Financial Services Compensation Scheme. Also, as part of this contract Lucida plc has put in place specific additional security arrangements to protect the Trustee in case Lucida plc's financial strength reduces. As before, members' benefits remain protected under the MNOFP by the employer covenant and ultimately the Pension Protection Fund.

The Trustee's long term goal is to continue to secure benefits and the policy with Lucida plc is an important step towards meeting this goal. The remaining assets will be managed with a view to ultimately achieving a position whereby the remaining liabilities can be secured.

This development does not affect the current benefit entitlement of members and pensions will continue to be paid as at present. Further, the policy does not change the relationship between employers and the MNOFP.

If you have any questions or concerns relating to this letter, it would be helpful if you could put them in writing to us at the address shown at the head of this letter or alternatively, please send an e-mail to [employer.enquiries@mnopf.co.uk](mailto:employer.enquiries@mnopf.co.uk).

Yours «Yours»

**Andrew Waring**  
Chief Executive  
MNOFP Trustees Ltd

**P G McEwen**  
Chairman  
MNOFP Trustees Ltd



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### **About Lucida**

Lucida is an insurance company focused on the annuity and longevity risk business, including the defined benefit pension buyout market and the market for bulk annuities. Lucida offers tailored solutions to the risks, volatility and administrative burden associated with corporate defined benefit pension schemes. Lucida is backed by funds controlled by Cerberus Capital Management L.P. and its affiliates. Cerberus is, one of the world's leading private investment firms. Lucida plc is authorised and regulated by the Financial Services Authority ("FSA"). [www.lucidapl.com](http://www.lucidapl.com)