



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

**[Letter to all Old Section members]**

Our Ref: PMcE/jah/S.Review/Sept09/Mbr Let

September 2009

Dear Member

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

As you will already be aware from my letters of 15 August 2008 and 10 February 2009 the Trustee has been carrying out a strategic review of the Old Section of the MNOFP with the objective of enhancing the security of members' benefits. As part of the strategic review, the Trustee has been investigating the possibility of securing Old Section benefits with an insurance company by buying a policy in the name of the Trustee.

I am pleased to be able to tell you that the Trustee has recently secured a significant proportion of the Old Section's benefits through an insurance policy with Lucida, a UK insurer regulated by the Financial Services Authority. The insurance policy is held as an investment of the Old Section and represents about 40% of its assets.

Benefits will continue to be paid to members in the usual way by MNPA and this does not change in any way the relationship between members and the MNOFP, nor the relative security of different members of the MNOFP.

This insurance policy provides additional protection for members' benefits due to the safeguards imposed by the regulation of insurers, the additional capital reserve that Lucida is required to hold to provide the policy and additional specific security agreed between Lucida and the Trustee as part of this contract. 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 is an important step towards meeting this goal.

Please be assured that this situation does not affect your current benefit entitlement and pensions will continue to be paid as at present.

If you have any questions relating to this letter, it would be helpful if you could put them in writing to MNOFP Trustees Ltd at the address shown at the head of this letter or alternatively please send an email to [mnopf@mnpa.co.uk](mailto:mnopf@mnpa.co.uk) or telephone on 01372 200200.

Yours faithfully

A handwritten signature in black ink, appearing to read 'P G McEwen', with a long horizontal flourish extending to the right.

**P G McEwen**  
**Chairman**  
**MNOFP Trustees Ltd**