



TRANSAMERICA LIFE AND ROY ELLIOTT O'CONNOR ANNOUNCE NEXT STEPS IN SETTLEMENT OF MANAGEMENT FEE OVERCHARGE CLASS ACTION AGAINST TRANSAMERICA LIFE CANADA

Transamerica Life Canada ("Transamerica") and Roy Elliott O'Connor LLP ("REO"), as counsel for the proposed representative plaintiff Joseph Fantl, confirmed today that the parties have reached an agreement in principle to settle the excess management fee claim in the proposed national class action commenced against Transamerica in 2003. The parties also announced today the next steps in the settlement process.

Under the agreement in principle, Transamerica will compensate policyholders who invested in various Investment Manager Series ("IMS") segregated funds for any excess management fees charged and for related losses. Compensation will be paid pursuant to a restitution program to be agreed by the parties and approved by the Ontario Superior Court of Justice. While the precise number of affected policyholders is unknown, the proposed settlement will affect over 100,000 policyholders from coast to coast.

The parties are currently negotiating the specific details of the restitution program. There are still a number of steps to be completed before the policyholders receive compensation. The amount that any individual may receive and the total value of the settlement are unknown at this time. Before compensation can be paid to any individual, the final settlement agreement including the restitution program must be completed and approved by the Court. The parties are working to have compensation paid to affected policyholders as quickly as possible.

The Fantl action concerns various IMS funds which were offered for sale by NN Life and subsequently Transamerica after its purchase of NN Life in 2000. The IMS funds were offered to policyholders under various individual variable insurance contracts and universal life contracts. The statement of claim alleges that NN Life and later Transamerica charged management fees for the IMS funds in excess of what was permitted under various insurance policies or represented in summary information folders.

In August 2007, Transamerica wrote to certain policyholders about a potential management fee overcharge issue and committed to investigate the overcharges, reset the amount of management fees and pay restitution. In connection with this process, Transamerica will shortly advise its affected policyholders about the resetting of the management fees back to contractually permitted amounts. This reset is currently scheduled to occur around November 14, 2008.

The Court approval of the settlement of the excess management fee claim in the Fantl action will occur in two phases. First, the parties are scheduled to appear before the Court in Toronto on November 24 and 25 for a settlement pre-approval motion, including approving the notice program for the class. Second, a fairness hearing will be held on April 22 through 25, 2009. If the Court is satisfied with the fairness of the settlement, it should be approved at that time. The foregoing dates are tentative and subject to change.

Pursuant to the agreement in principle, the policyholders will not have to pay the legal fees and disbursements of class counsel because they will be paid directly by Transamerica. In short, as a result of this agreement the policyholders' compensation will not be affected by the class counsel's legal fees. The amount of those fees and disbursements must be agreed upon by the parties and approved by the Court or, if the parties are unable to agree, the Court will be asked to fix the amount.

"We are pleased to reach an amicable framework for resolving the management fee overcharge claim", said Paul Reaburn, President and CEO of Transamerica Life Canada. "We look forward to completing our negotiations with REO, obtaining court approval of our settlement and to seeing our policyholders compensated fairly for any past overcharges which we regret occurred."

"I am pleased that Transamerica is endeavouring to resolve this claim without the need for a trial, and I have instructed Roy Elliott O'Connor to use their best efforts to pursue a final, fair and reasonable settlement as quickly as possible", said Joseph Fantl, the representative plaintiff in the class action.

PLEASE DO NOT CALL THE COURT ABOUT THIS CLASS ACTION.

For more information about your policy, the resetting of management fees or related issues please contact Transamerica at 1-800-797-2643 from 8.00 a.m. to 7.00 p.m. Eastern Time, Monday through Friday.

For more information about the class action please contact Roy Elliott O'Connor LLP:

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