

PRESS RELEASE

Embargoed Thursday 10 October 2019, 11:00 hours

GUARDIAN ANNOUNCES LAUNCH OF NEW COMBINED COVER AND FIRST COVER UPGRADE FOR EXISTING CUSTOMERS

Challenger expands portfolio in response to adviser feedback

- Guardian to launch new combined life and critical illness cover
- Extended range of covers allows advisers to apply for mortgage and family protection in one application
- Critical illness insurance to include better children's coverage, three new full payment conditions and a number of enhanced definitions
- Product improvements to trigger Guardian's inaugural cover upgrade – first time ever existing customers benefit as well as new customers
- Small number of definitions to be brought in line with market standard and some features withdrawn

Later this month, protection challenger Guardian will launch a new combined life and critical illness cover to add to its stand-alone life and critical illness products. This new combined offer gives people access to protection with a single payout. A claim can be made in the event of the policyholder's death or diagnosis of a critical or terminal illness, whatever comes first, making it a perfect option to protect a mortgage.

Katya MacLean, Guardian Interim CEO, said: "A big part of Guardian's journey to date has been based on listening. So, we're really pleased, just over a year since launch, to be introducing a new type of cover requested by our mortgage partners. Being a Guardian policy, our combined cover benefits from the quality we've become renowned for – simple definitions, many of which pay out on the word of a UK consultant; cover upgrade; our dual life approach; and the ability to add children's critical illness cover. But because it pays out just once, we're able to offer it more competitively than the stand-alone options which have the possibility of multiple payouts."

Jeff Woods, Campaigns and Propositions Director, The Sesame Bankhall Group, said: "For mortgage advisers, the protection conversation tends to follow a mortgage sale, and many clients simply want to protect their debt. Our advisers tell us they love Guardian's high-quality approach – the clear definitions and the promise to treat existing customers fairly – and want a version of the product that best suits their needs. It's great that Guardian is now offering a combined product at a competitive price and it's certainly going to be appealing to our advisers. We're fortunate to work with a partner who listens and so clearly values our feedback."

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Ian McKenna, Director F&TRC and Founder of Protection Guru, said: “It’s good to see Guardian is listening to and acting on adviser feedback. Guardian is making changes – enhancements where possible, but also some standardisation, as they test the market’s appetite for innovations and try to find the right balance between quality and price. By offering a wider range of options they are providing advisers with more choice and flexibility at the high-quality end of the market.

They are still leading the way when it comes to quality and Guardian’s stand-alone life and critical illness cover represents excellent coverage for people looking to protect their lifestyle and maintain flexibility for the future. However, for some clients, a single payment to protect their mortgage is enough to give them peace of mind. With the changes announced today, Guardian’s expanded portfolio of products allows more advisers to meet their clients’ family and mortgage protection needs.”

Critical illness enhancements and Guardian’s first cover upgrade

The challenger also announces a number of enhancements to critical illness definitions across its portfolio. **For the first time ever, these enhancements will be available to existing customers.** They include:

- Three new full payout conditions: gastro-intestinal stromal tumour, neuroendocrine tumours, and ulcerative colitis will be added
- Improvements to a number of definitions: including cardiomyopathy, intensive care eligibility, low grade prostate cancer, Parkinson’s disease, and cancer (metastatic non-melanoma skin uplifted from additional to full payment)

In addition, the company is delighted to announce improvements to its children’s critical illness cover. The age range will be extended to all children up to age 23, regardless of full-time education status; the indexation cap that restricted the sum assured to a maximum of £100,000 will be removed; and the blindness definition improved. These enhancements will benefit all existing customers.

Alan Lakey, Director, CI Expert, said: “Guardian’s restructuring shows a number of positive changes. The most compelling being the removal of the active surveillance/watchful waiting exclusion for low grade prostate cancer. Also valuable is the intensive care eligibility change to 7 days from the previous 10. The cardiomyopathy definition has also been widened. The removal of the restriction that children needed to be in full time education is also a welcome move that we have advocated across the industry.

The various improvements are balanced by the change to the benign brain tumour definition which no longer pays on diagnosis but on undergoing some form of treatment. Also Type 1 diabetes has been changed from 100% to additional payment status.

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However, most newsworthy is the fact that all these improvements will be made available to Guardian's existing customers, as this is the first time that Guardian's cover upgrade has ever been applied. Cover upgrade is one of Guardian's real USPs and I strongly believe it will enhance consumer confidence and help repair the reputation of the industry."

Other critical illness changes

The company is also making some changes to bring a small number of its definitions in line with market standard. These were things that advisers said were less important to them than having access to a more competitive combined offering. These include:

- Benign brain tumour changed to market standard
- Dementia including Alzheimer's changed to market standard
- Type 1 insulin dependent diabetes mellitus now paid as an additional payout condition (previously full payout condition)
- Critical Illness Buy-Back removed
- Reserved Cover removed

-Release ends-

Notes to editors:

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Guardian Financial Services is an appointed representative of Scottish Friendly

Through our agreement with Scottish Friendly Assurance Society Limited (SFA), where SFA provides the balance sheet capacity, including allowing use of existing permissions to write business, we distribute our new protection business through the UK intermediary channel. As an appointed representative of Scottish Friendly Assurance Society Limited, Guardian Financial Services Limited is the market-facing brand under which we'll promote our proposition and engage with advisers.

Background to Guardian Financial Services, owned by Gryphon Group Holdings

Guardian, the new life and protection insurance business, was established with £180m of investment and has pledged to grow the £700m protection market. The brand promise of 'Life. Made Better.' reflects the company's commitment to rethink and reinvent protection for the better; making sure customers get cover that's easier to understand, simple to buy and designed to never let them down.

Guardian's business partners

Gryphon Group Holdings is majority owned by Punter Southall Group as the largest equity capital investor. Leadenhall Capital Partners are co-investors and have provided a substantial additional facility to fund the company's growth plans. Its back-end technology partner is Liss Systems, the UK arm of Nasdaq-listed EXL. Its front-end technology, branding and marketing partner is Space, UK based financial services specialists. Risk partners are Hannover Re and Gen Re.