

PRESS RELEASE

Embargoed 00:01hrs Wednesday 16 May 2018

GUARDIAN'S WIDELY ANTICIPATED LIFE AND CRITICAL ILLNESS PRODUCT DETAILS ANNOUNCED TODAY – THIS IS 'LIFE. MADE BETTER.'

Simpler, broader definitions offer greater cover and higher scope for successful claims

- Protection brand Guardian, announces details of its widely-anticipated life and critical illness offer
- The company has fundamentally designed its whole business so that policies will pay out when customers expect them to
- Guardian's life and critical illness covers have simpler, broader definitions with no general exclusions
- These will be backed up with liberating, intuitive processes and more meaningful customer care
- The company says it is challenging the 'typical way' things are done to come up with a 'better way'
- Guardian's market entry is expected to help grow the protection market, encouraging more advisers to offer better life and critical illness cover to those who need it

Guardian, the protection challenger operated by Gryphon Group Holdings, today announces details of the new life and critical illness offer it is bringing to market during 2018. Based on the brand promise of 'Life. Made Better', the easy-to-understand policies are designed to always pay out, with a view to growing consumer trust and adviser confidence in the industry.

Products. Better by definition.

Guardian's new life and critical illness offer will have simpler, broader definitions with no general exclusions. The company is focused on quality of cover – not just the number of conditions – providing the best possible cover across its comprehensive list of illnesses. The challenger demonstrates how its policies differ from what is currently available:

	'The typical way'	'The Guardian way'
Stroke	Providers want to see evidence in the form of a scan so they can assess the severity of the stroke.	With a Guardian policy, if symptoms have lasted for more than 24 hours and a UK Consultant Neurologist says it's a stroke, they pay out.
Heart attack	Usually, providers request detailed medical reports and evidence so they can assess whether a heart attack diagnosis is serious enough to meet their own criteria for payment.	The word of a UK Consultant is all that Guardian need. If the Consultant says a customer has had a heart attack, they pay out.
Multiple sclerosis	Typically, providers want to see evidence that multiple sclerosis is current at the time the claim is assessed. But multiple sclerosis symptoms can come and go – especially in the early stages.	Guardian will pay out if a UK Consultant Neurologist says there 'have been' symptoms due to multiple sclerosis – even if the symptoms are not apparent at point of claim.

PRESS RELEASE

Cancer	Most providers don't pay out on all malignant skin cancers.	A Guardian policy will pay out on all malignant skin cancers – no exclusions.
Terminal illness	Typically, terminal illness for life cover will only pay out if, in a doctor's opinion, the policyholder has less than 12 months to live. However, it can be hard for doctors to predict the survival time of patients with certain terminal illnesses, even in their late stages.	Guardian pays out like other providers if a customer is expected to survive less than 12 months. But, uniquely, they also guarantee to pay out if the customer is diagnosed with stage 4 cancer, motor neurone disease, Parkinson-plus syndromes and CJD, even if they're expected to survive more than 12 months.

Simon Davis, Guardian CEO, said: “The single most important thing about a protection policy is that it pays out. If someone has a critical illness policy, they quite rightly expect it to cover them if their consultant says they've had a heart attack. They don't want any anxiety over whether their diagnosis is eligible. At Guardian, we use simpler, broader definitions without general exclusions. So, when our customers need their policy to pay out, it will.”

Liberating and intuitive menu-based processes

Guardian believes the role of advice is crucial to make sure a customer gets the right cover for them. The company will be distributing solely through advisers, using a platform called Protection Builder. Protection Builder is based on individual covers which can be combined within one policy, with multi-life and multi-cover discounts.

Protection Builder works on a menu-basis. Features include:

- A single question set – Automatic underwriting of clients for the maximum amount of protection that the company is prepared to offer across all types of core cover.
- Dual cover – Different covers with different sums assured for different lives can be covered in individual policies within a single application. Each type of cover or life is considered as separate, so a person can make a claim against one aspect without compromising the value of the rest of the cover.
- Multi-cover discount – Guardian will apply a multi-cover discount for joint applicants (dual lives) or other multi-cover policies to make sure the overall cost remains competitive.
- Smart form – Guardian's smart form responds to an applicant's answers by always asking the next logical question about any existing medical conditions.
- Optional extras – Fracture cover and children's CI are additional options, so customers only pay for the cover they need.
- Payout planner – The ability to nominate beneficiaries is built into the online journey so that Guardian can pay the right person without waiting for probate to be granted.

Simon Davis, Guardian CEO, said: “Protection Builder has been designed to increase advisers' ability to recommend the right cover combinations through a single online journey. For example, for joint applicants Guardian offers a dual life process. Within this, each person has their own individual cover. This means two potential payouts, so in the event of a claim, the survivor will still have their cover in force.”

Fairness. Redefined.

Guardian has put fairness and trust at the heart of its strategy. Key to this was to look at what could be done in a fairer way for customers – from the interest rates used to set

PRESS RELEASE

premium calculations for mortgage cover, to the way the company treats existing loyal customers. Examples include:

	'The typical way'	'The Guardian way'
Decreasing mortgage cover	Most providers calculate decreasing mortgage cover premiums using an artificially high mortgage interest rate. This means customers pay more to make sure any payout will always exceed the outstanding mortgage amount.	Guardian calculate premiums using a realistic long-term interest rate, which reduces the cost. If any payout falls short of the outstanding mortgage, they guarantee to pay the difference providing it's not in arrears.
Cover upgrades	Typically, when providers make improvements to the quality of their critical illness cover, the benefits are only available to new customers.	At Guardian, if the company's critical illness definitions improve, they'll check any claim against both the definitions the customer bought, and the definitions for new customers. For most conditions, they'll pay out if the claim is valid under either. Occasionally, they may introduce changes that won't automatically upgrade so they'll offer existing customers the chance to pay to add it.
Waiver of premium	Most providers offer waiver of premium as an optional extra. However, some customers with poor health or lifestyles can be denied the option, depriving them of this valuable benefit.	At Guardian, Premium Waiver comes as standard. They not only waive premiums if a client is too ill to work, they'll also waive them for 6 months after a client has a baby or if they lose their job.

More meaningful customer care

Guardian is adopting a more personal approach to claims support. At point of claim, the company does not have a set list of additional services for customers to choose from. Instead the claims team listen to each claimant's concerns, identify the exact help they need, and through Guardian's network of medical, legal and financial experts, make it happen. This service is called HALO.

Simon Davis, Guardian CEO, continues: "Our whole business is about helping customers through difficult times. When it comes to claims support, it needs to be personal. Whether it's the little things like identifying what support is available after spending time in hospital, or the bigger things like estate planning following a terminal illness diagnosis, Guardian's HALO service is designed to offer bespoke and valuable support."

Guardian's approach is welcomed by experts

Guardian's approach has received positive recognition from the industry's major protection research providers and commentators:

Roger Edwards, Marketing Director at Protection Review, said: "We're delighted to welcome this fresh approach from a new entrant. For a long time, Protection Review has been urging the industry to consider ways to create more trust with consumers – to be simpler, more human, and braver. Over the years we've seen providers tinkering with definitions, reducing the scope of what they cover or adding more options. Guardian, by contrast, are taking the industry in a different direction. We really like this approach – it's grown up protection insurance that will change the market for the better."

PRESS RELEASE

Ian McKenna, CEO of F&TRC, said: "The Guardian products are clear evidence that the tides have changed for protection. A decade ago we were seeing increasingly complex wordings and a conditions race where insurers were competing on the number of conditions covered, with little attention to how much value was actually added for the customer. Over the last year or so the focus has become around the actual quality of cover provided and delivering greater clarity to the customer. Guardian's launch cements this as where the smart money is going. Their wordings are a joy to read compared to some other insurers. This is a real win for the industry, advisers and most importantly consumers."

Alan Lakey, Director of CI Expert, said: "Guardian has used its entry into the market to introduce some fresh thinking which is sure to shake up the marketplace. Their approach of simplifying wording is a much-needed initiative and they have created some top level critical illness definitions. Of particular mention is the heart attack wording which only requires confirmation from a consultant and benign brain tumour payable on diagnosis. Also, there is an additional payment for stent insertion on one coronary artery. Just as importantly, any future upgrade to their plan will be added to existing plans, whilst sometimes there could be a cost, it provides the client the opportunity to keep their plan up to date. These are significant improvements that will appeal to both advisers and clients."

Phased launch throughout 2018, starting with a market entry pilot in May

Guardian is focusing on life and critical illness initially, followed by income protection at a later date. From May onwards, it is starting its market entry with a pilot, working with c.60 adviser firms selected by a few of its strategic distribution partners. Guardian will then roll out the proposition with all of its strategic distribution partners and major portals. The company is phasing the roll-out to deliver a good adviser experience and full on-boarding support, with a view to being widely available across the market by the end of the year.

-Release ends-

Notes to editors:

Press enquiries to Natalie Robinson, 07789 501146, Natalie.robinson@guardianfs.co.uk.

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'll 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

Gryphon Group Holdings announced in December 2017 that it had acquired the Guardian trading name for the protection company it was building. In June 2017, the entrepreneurial firm announced that it had raised £180 million from the city to design, build and launch a protection challenger.

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. Guardian's risk partners are Hannover Re and Gen Re.