



Genworth®
Financial

MORTGAGE PAYMENT PROTECTION



Our products combine regulatory, compliance and risk management expertise with superior IT and customer service to provide you with innovative and flexible solutions and protect your customers throughout their lives.

Our Mortgage Payment Protection product is designed to ease the financial burden of monthly mortgage repayments in the event the homeowner is unable to work due to accident, sickness, disability or involuntary unemployment. It can provide reassurance and can help to safeguard a very important asset from the threat of repossession during difficult times. The level of cover can be tailored to suit your customers' needs, with additional benefits available to cover mortgage related expenses and provide extra reassurance. No medical underwriting is required.

CLIENT BENEFITS

Meets market demand

Current economic conditions and low market penetration indicate a major growth opportunity for our product.

Saves you money

Mortgage Payment Protection may reduce the additional back office administration involved when a mortgage goes into arrears. Furthermore, it can help to avoid the need for short term funding, benefiting your long-term cash flow.

Provides you with cross-sell opportunities

Homeowners who buy Mortgage Payment Protection may be receptive to cross-selling offers for other insurance products in your portfolio.

Complements your existing product suite

This policy can deliver a new income stream for your business by complementing the product suite you already offer your customers.

Increases customer loyalty

The wider the range of lines that your customers purchase, the higher their level of brand involvement. This may maximise loyalty and minimise cancellation and the expense involved in having to win customers back.

CUSTOMER BENEFITS

Major Asset protection

Property is often a customer's biggest investment as well as being their home. Providing security for that asset is critical, especially in times of financial instability. Our Mortgage Payment Protection provides your customers with reassurance that even at the most difficult times their ongoing mortgage payments are secure and protected.

Additional cover

Our policy is flexible and can be designed to match customers' personal circumstances. Your customers can even choose to extend the cover by up to 25% to include bills such as home insurance and life cover.

Flexibility of cover

Your customers have the option of selecting the level of mortgage payment protection that covers their individual mortgage needs. They can choose a premium that covers the total monthly payment or any part of it. They can also opt to have joint cover if required.

Secure credit rating

By avoiding defaulting on their commitment to regular mortgage payments, your customers may be able to safeguard their credit rating. This may mean that they are not excluded from the best deals, when their mortgage is scheduled for renewal.

Consumer Insight

People's homes are often their biggest investments, and individuals are having to spend more and more of their take home pay to service their mortgage. In some European countries such as the Netherlands and Denmark, mortgage debt is above 70% of GDP.¹

Within the current economic environment, jobs are becoming increasingly less secure and savings are at an historic low. Now more than ever, there is a real need for consumers to protect their homes.

In some European countries, up to 40% of mortgages have no associated protection policies to provide homeowners with cover in the event of an accident, sickness or involuntary unemployment.² Mortgage Payment Protection may help to provide reassurance and comfort that their main asset is protected.

Our approach is based on a solid foundation of consumer research.

We use a variety of tools such as the Financial Services Segments (FSS) profiling from Experian which we have applied to our Lifestyle Protection product range to identify to whom it will appeal.

WHO IT WILL APPEAL TO

Busy, young families, doing well, with high child-related costs. They have little time for financial planning and money can be tight. They rely extensively on loans to afford larger items, however, they do keep on top of their bills and have some savings.

Young, thriving families with earnings well above average but with high outgoings. They try to make regular savings and use loans to help finance their lifestyle. Repaying their large mortgage is a worry but they are confident about the future.

Successful families with high incomes, investments and good pensions. Financially sophisticated and keen to save for their children, they plan for the future. They are still paying off their mortgage, but their financial commitments are beginning to ease as their children grow up.

Young, cohabiting couples and friends with good salaries. They are not very financially literate, relying on overdrafts to finance their student debt, but earning above average salaries.

Mid-income, young families with high financial commitments. They earn reasonable incomes but spend beyond their means. This could become a problem if spending remains unchecked but they are confident in their abilities to manage their finances.

EUROPEAN MARKET STATISTICS

- With the EU economy expected to shed some 3.5m jobs in 2009, unemployment is set to rise. The rate is forecast to reach 8¾% in the EU in 2009 (9¼% in the Eurozone), with a further increase in 2010.³
- In Europe, property insurance counts for 7.3% of overall insurance premiums.⁴
- France's unemployment rate hit a 25-year low of 7.2% in the second quarter of 2008.⁵
- In the UK, 40% of mortgages have no associated protection policies to provide homeowners with cover in the event of an accident, sickness or involuntary unemployment.⁶
- House repossession was rated as the event most likely to cause mental health problems, ahead of redundancy, or finding out about infertility, according to UK charity Rethink.⁷

Correct at time of print, February 2009.

¹ Clarus Property Ventures, 21/10/08. claruspv.com

² Money Marketing, 21/02/08. moneymarketing.co.uk

³ European Commission, 19/01/09. ec.europa.eu

⁴ CEA – Insurers of Europe, 10/08. cea.eu

⁵ French Economy, 04/09/08. frenchconomy.blogspot.com

⁶ Money Marketing, 21/02/08. moneymarketing.co.uk

⁷ BBC News, 10/10/08. news.bbc.co.uk

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