



Genworth®  
Financial

## CREDIT CARD AND OVERDRAFT 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 Credit Card and Overdraft Payment Protection provides your customers with assistance with their credit card repayments and other credit arrangements (such as overdrafts) if they are unable to work due to accident, sickness, disability or involuntary unemployment. Typically, this protection would pay a percentage of your customer's outstanding card balance or overdraft limit on a monthly basis for up to 12 months or until they return to work (whichever is the early event). In addition, a life cover would pay off the outstanding balance in the event of death.

### CLIENT BENEFITS

#### **Fulfils market needs**

Current economic conditions suggest an increased risk of redundancy. Our product could therefore help if this means your customers struggle to meet their credit repayments.

#### **Addresses your customers' requirements**

This product can be tailored to match different customer requirements as you can choose what events you would like the product to cover from accident and sickness to involuntary unemployment and even death.

#### **Provides you with cross-sell opportunities**

The availability and appeal of this product to customers with credit cards, overdrafts and loans provides good opportunities for you to cross-sell products such as Expense Protector and build loyalty to your brand.

#### **Complements your existing product suite**

This product will provide you with a new income stream by complementing your existing product suite.

#### **Guarantees repayment**

By guaranteeing repayments, Credit Card and Overdraft Payment Protection reduces the risk to you of credit delinquency. The product's Life Cover element provides you with extra security by ensuring that outstanding balances will be cleared in the event of death.

### CUSTOMER BENEFITS

#### **Wide coverage**

The product provides your customers with repayment cover for all kinds of unforeseen life events, from accident and sickness to involuntary unemployment and even death.

#### **Greater confidence**

With cover in place for their monthly commitments, your customers know they can meet their repayments should the unexpected happen.

#### **Added convenience**

Benefits are paid directly to the card or credit provider, allowing your customers to concentrate on getting better or finding a new job.

#### **Secure credit rating**

By avoiding defaulting on their repayments, your customers can safeguard their credit rating even though their income has been interrupted. Doing so can help them qualify for credit they may need in the future.

## Consumer Insight

Credit has become a fact of life for many individuals and families. Shopping for essentials and big ticket purchases are funded by credit cards and overdrafts. The reality for many is that much of what comes in each month goes straight back out again to repay existing debts.

So continuity of income is crucial to fund these debts. Yet employment can come under threat from unforeseen events such as sickness, accidents and involuntary redundancy. Even if short-lived, these events can have a significant impact upon people's lives and lifestyles.

Credit Card and Overdraft Payment Protection provides your customers with the reassurance that they can meet their credit repayment obligations and maintain their lifestyles should the unexpected occur.

*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

### Young, average income families with big mortgages and high levels of spending.

Credit is an accepted way of life, allowing them to maintain their lifestyle. They rely on loans but are financially aware enough to shop around for the best deals.

### Young families with small mortgages in the lowest value properties.

They have low earning power, several unsecured loans, no savings and no pension provision. They may also use debt counselling.

### 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.

### 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.

### 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.

## 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 8¼% in the EU in '09 (9¼% in the Eurozone), with a further increase in 2010.<sup>1</sup>
- The annual growth rate of the outstanding amount of debt securities issued by Euro area residents increased from 7.0% in October 2008 to 8.1% in November of the same year.<sup>2</sup>
- Over 32 billion transactions are processed in the EU every year.<sup>3</sup>
- Visa Europe said expenditure using its 361 million credit and debit cards rose 10.3% in 2008 to 883 billion euros.<sup>4</sup>
- Total UK personal debt at the end of April 2008 stood at £1,436bn<sup>5</sup> and the average household debt (including mortgages) was £56,588.<sup>6</sup>
- Over 8,000 people in Sweden received redundancy notices in September 2008, exacerbating the country's rising unemployment rates.<sup>7</sup>

Correct at time of print, February 2009.

<sup>1</sup> European Commission, 19/01/09. ec.europa.eu

<sup>2</sup> Euro Area Securities Issues Statistics, 11/08. ecb.int

<sup>3</sup> European Card Acquiring Forum, 02/08. europeancardacquiring.com

<sup>4</sup> FX Street, 20/01/09. fxstreet.com

<sup>5</sup> Credit Action, 02/06/08. creditaction.org.uk

<sup>6</sup> Credit Action, 01/02/08. creditaction.org.uk

<sup>7</sup> Eironline, 24/11/08. eurofound.europa.eu

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