



Genworth®
Financial

OVERDRAFT PAYMENT PROTECTION



Our Overdraft Payment Protection can help safeguard an overdraft facility against recall by the bank and reduce the amount owing to the bank if a customer is unable to work due to accident, sickness, disability or involuntary unemployment. Typically, this protection would pay a percentage of the customer's outstanding overdraft limit or credit limit on a monthly basis until they return to work or up to a maximum of 12 months. In addition, life cover is incorporated to pay off the outstanding balance in the event of death.

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.

CLIENT BENEFITS

Fulfils market needs

Current economic conditions suggest an increased risk of redundancy. Our product could therefore help if this means consumers struggle to meet their overdraft repayments in the event of sickness or involuntary unemployment.

Builds customer loyalty

The reassurance provided by Overdraft Protection will help to consolidate loyalty and provide a good opportunity for you to cross-sell other products such as Expense Protector.

Features flexibility

You can choose which customers are offered the product and whether to make the cover optional or a free benefit. You can also tailor which events are covered by the product such as accident and sickness, involuntary unemployment and death.

Guarantees repayment

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

Complements your existing product suite

This product will provide a new income stream with no capital at risk by complementing your existing product suite.

CUSTOMER BENEFITS

Tailored to their needs

This product provides repayment cover for all kinds of unforeseen life events. The benefit can be tailored to your customers' particular needs and budget and more than one person can be covered on the policy.

Greater confidence

Your customers can be confident that this protection provides 10% of the overdraft facility or used overdraft each month, should the unexpected happen. It is a financial safety net giving them the freedom to plan and budget for change.

Safeguards payments

Overdraft Protection reduces the need to use savings to repay the overdraft and can help maintain your customers' normal standard of living at a time of reduced income.

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.

Back to work service

Customers benefit from our free back to work service with expert advice on dealing with redundancy, unemployment, careers and CV advice.

Consumer Insight

Credit has become a fact of life for many individuals and families. Shopping for essentials and big ticket purchases are often funded by 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.

Overdraft Payment Protection provides customers with the reassurance that they can meet their 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.

MARKET STATISTICS

- The number of workers permanently overdrawn has almost doubled from 2.9m to 5m in the past two years.¹
- In 2009 employees are stepping into their overdrafts 20 days after being paid, a full week earlier than in 2007.²
- A 2009 survey of almost 2,000 people found that more than half of the workforce has been overdrawn at least once in the past 12 months.³
- 3,300 people in the UK are losing their jobs every day, with that number set to rise even further.⁴
- Total UK personal debt at end of June 2009 stood at £1,458bn with average household debt (excluding mortgages) being £21,480.⁵

Correct at time of print, August 2009.

¹ The Daily Telegraph, 20/04/09. telegraph.co.uk

² Moneysupermarket.com, 20/4/09

³ Moneysupermarket.com, 20/4/09

⁴ Credit Action 2009. creditaction.org.uk

⁵ Credit Action 2009. creditaction.org.uk

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