



Genworth®
Financial

PRODUCT DEVELOPMENT



Our insurance solutions are designed to help consumers enjoy greater quality of life, achieve their dreams and build lifelong relationships with our Clients based on trust. We believe in developing innovative products and services that consumers want and which treat them fairly. As lifestyles change at an ever increasing pace, it's essential that insurance moves with the times to keep pace with consumers' evolving needs and priorities. The need for protection today is very different and more complex than a few years ago.

Consumer needs continue to change and evolve; our innovation process ensures we understand these changing needs so that we can deliver products that are of real value to consumers.

Dedicated expertise

Our product development team is dedicated to developing innovative new products to fill unmet consumer needs and enhancing our existing range. The team is supported by global resources and local expertise and knowledge in areas including commercial, pricing, legal, compliance and marketing for a genuinely collaborative and multi-disciplinary approach.

Deep consumer understanding

We conduct regular research across our European markets to gain deeper insights into consumer attitudes and values. We are also vigilant in assessing changes within the insurance industry to ensure our products reflect current and emerging market trends and regulatory requirements.

We are in the process of investigating consumers' views on their financial situation and financial services. We have used in-depth interviews to examine current attitudes, aspirations and requirements and to test new product concepts. The results will feed into our innovation process and influence the products we bring to market in future.

Sophisticated segmentation

During a consumer's lifetime, there are a number of stages where a significant purchase or life event will change their need for protection. But one size is never going to fit all. That's why we aim to identify and answer the varying needs of consumers through behaviour and needs-based segmentation.

Segmentation allows us to develop more relevant products that can be better tailored and targeted to meet the individual needs of consumers. The benefits for our clients include:

- Increased market penetration
- Greater revenue potential
- Greater brand loyalty
- Regulatory compliance.

Ethical conduct

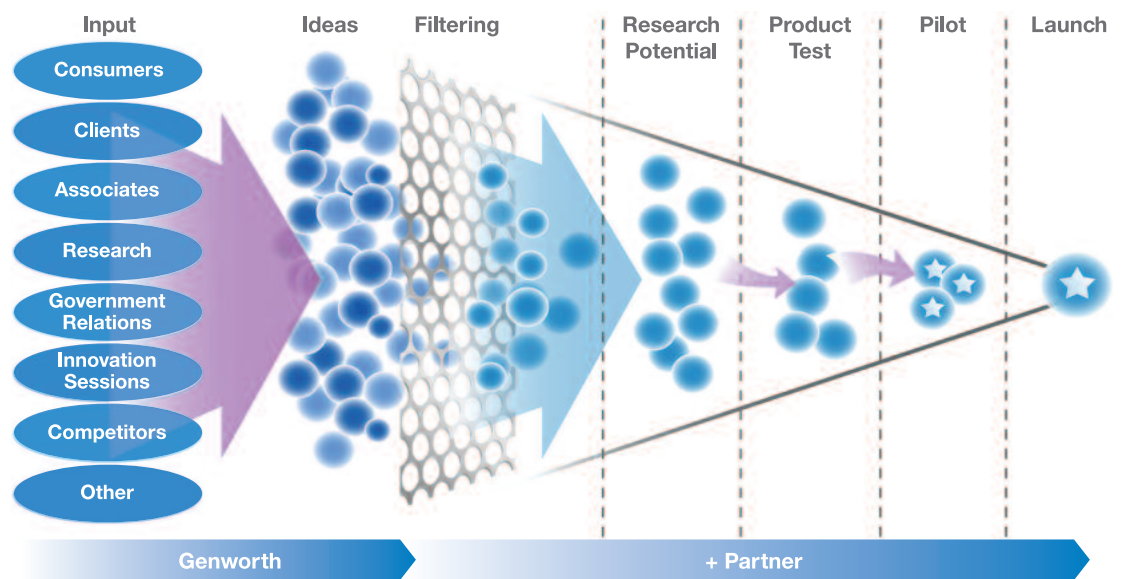
A thorough understanding of the regulatory environment helps us ensure that our products and services Treat Customers Fairly (TCF), which is of the greatest importance to us and part of everything we do. All of our products and services are reviewed to confirm their TCF suitability and compliance with FSA consumer outcomes.

Success story – Consumer insight informs segmentation in Italy

We undertook consumer research to explore the barriers to homeownership experienced by young Italians. This enabled us to segment the group according to their behaviour and attitudes towards homeownership, debt and saving. Young adults between 25 and 38 who are economically independent but still living with their parents represent 3.23m Italian families and was a group previously underserved by Italian banks. Our research identified four sub-segments, two of which present a material opportunity for the high LTV mortgage and payment protection markets. We are working with our clients to develop tailored propositions for both segments.

Our streamlined innovation process allows us to develop products that are consumer centric and thoroughly researched.

Genworth Innovation Process



Product innovation

Idea Generation

An idea can come from anywhere. The source is as likely to be our front line staff, a customer claim, the executive team or stakeholder and client feedback as our ongoing market research.

Shaping and filtering the ideas

The product development team subjects each idea to rigorous concept and product analysis to determine if it meets both client and consumer needs, defines the risk appetite for the product, confirms that it meets TCF requirements and scopes the business case.

Researching the product's potential

At this stage we develop a full distribution model and business plan in conjunction with IT and Marketing. The final product design, pricing structure, functional commitment and pilot test market are selected.

Testing the product and launching the pilot

Marketing, sales and execution plans are finalised, a retention programme is developed, and measurement criteria defined. Once completed, our product development process culminates in the launching of pilot or full roll-out if appropriate.

Measuring success

We review the process and performance of the launch against assumptions and track this over time so that we are in a position to deliver the best possible product to our clients and their customers.

Success story – delivering value-adding unemployment protection in France

Extensive market research revealed that more than half of employees in France expect to become unemployed in the next five years, but that three out of four have taken out no protection against this risk. In response, we developed a new type of unemployment cover that tops up the state provision to a chosen level for up to two years, allowing the customer to preserve their lifestyle after redundancy. The duration of monthly benefits is linked to the length of time the policy has been held, with limitations on early cover keeping premiums at an affordable level. Value-adding features include services to assist the customer in getting back to work.

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