

PruProtect announces half-year figures for 2010

Fast-growing protection office sees new Health Cover product contribute to an increase in new business

Following the recent launch of its new Health Cover product, PruProtect has announced details of its growth for the first half of 2010, in comparison with the same period in 2009.

2010 H1 highlights for PruProtect include:

- 25,269 new applications received (compared with 10,910 in H1 2009)
- New annual premium income activated in the first half of the year doubled from £5.5m in H1 2009 to £10.9m in H1 2010
- Total number of policies in force at the end of H1 2010 stands at 36,469
- A further 2,928 new intermediaries registered to write business with PruProtect in H1 2010
- Over 1,000 intermediaries attended the Health Cover launch events and follow-up training workshops in H1

Justin Taurog, Director of Marketing and Distribution for PruProtect, said: *“We’ve had a fantastic start to the year and this continued strong growth confirms our position as one of the leaders in the UK protection industry. We are delighted with the intermediary response to our new Health Cover product range. This is real testimony not only to the proposition’s strengths and appeal but to an increasing understanding amongst intermediaries of the essential role PMI plays in fully meeting their clients’ financial planning needs.*”

Deepak Jobanputra, Actuarial and Product Director added: *“Whilst other established players are exiting the market and many are seeing a fall in sales, citing tough economic times, PruProtect is firmly committed to the protection market to serve the needs of intermediaries and consumers.”*

New Health Cover product

Just two months after its launch, PruProtect’s new Health Cover product has been enthusiastically received by intermediaries. Over 1,000 intermediaries attended the initial

launch events and follow-up training workshops and more than 4,370 quotes have already been requested.

Peter Lurie, Managing Director - Proactive Medical & Life Insurance Services, said:

"Its no surprise PruProtect has seen an increase in new sales as their broker support network is the pinnacle of their success. Coupled with a lower cost hybrid -product, such as the recent Health Cover Plan, this makes brokers more aware of offering medical insurance and life insurance in one plan, which we think is very clever."

New independent research shows that PruProtect's unique approach of combining Private Medical Insurance with other forms of protection in one simple but comprehensive package of benefits has strong intermediary appeal with 96% of IFAs saying they would consider recommending a product which provides access to private medical treatment as well as a cash lump sum on diagnosis of a critical illness

Despite the economic downturn, consumers still clearly value the peace of mind PMI offers them with over two fifths saying they would do whatever they could to make savings elsewhere before they cut their health insurance cover.ⁱⁱ And in a market where consumers are increasingly worried about whether the NHS will be there for them when they need it, the essential role intermediaries' play in promoting PMI has never been more apparent:

- In 2009 intermediaries' share of PMI sales shot up from 53.5% to 61%
- At 32%, intermediaries' share of individual PMI sales are at a record highⁱⁱⁱ

Justin Taurog added: *"By offering intermediaries the training and the tools to sell PMI as well as an efficient and affordable product proposition we believe that together we can open up PMI to a wider distribution and client base, which ultimately must be good for clients, intermediaries and the industry as a whole."*

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Notes to Editors

The information contained in Prudential UK's press releases is intended solely for journalists and should not be used by consumers to make financial decisions. Full consumer product information can be found at www.pruprotect.co.uk.

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About PruProtect

Sales at PruProtect of APE £11 million were up 98 per cent on H1 2009. PruProtect now has circa 36,000 policies on its books.

In June 2010, PruProtect launched its new Health Cover and Health Cover Optimiser products to the UK market, providing consumers with an innovative solution to meet their health and protection needs and intermediaries with the opportunity to grow their business by providing easier access to private medical insurance.

Instead of having to buy Serious Illness Cover and Health Cover separately, they can now be combined in one efficient package with one application form, one direct debit, and one number to call with a claim. The Health Cover Optimiser enables customers to create a comprehensive package of benefits in one cost efficient vehicle - saving up to 25 per cent compared with buying Health Cover separately from PruHealth.

Launched in September 2007, PruProtect is an extension of the existing joint venture between Prudential UK and Discovery, which began with PruHealth. Unique to the current UK protection market, the PruProtect suite of products includes Life Cover, Income Protection Cover and severity based Serious Illness Cover. PruProtect is based on the innovative Vitality programme and is designed to encourage customers to take control of their own health and wellbeing, which gives policyholders the potential to manage future premiums. By recognising people's efforts to look after themselves, PruProtect is able to offer a more comprehensive set of benefits than traditional providers at a very competitive price.

About Discovery

Discovery, headed up by Adrian Gore, is a leading South African financial services company that specialises in healthcare cover, life assurance and lifestyle and wellbeing benefits. Prudential UK and Discovery launched PruHealth in 2004.

ⁱ Cover 360 Research 2010

ⁱⁱ Mintel: Health Cash Plans and Private Medical Insurance 2009

ⁱⁱⁱ Laing & Buisson, Health & Care Cover UK Market Report 2010