

Embargoed until: 07 March 2008

**SMOKERS GIVE UP FOR GOOD AND POCKET A PACKET
- IN MORE WAYS THAN ONE**

- **Quitters could save over £12,500 on life and serious illness insurance**
- **Money up in smoke with die-hard smokers willing to pay £1 per cigarette**

Smokers are being urged to consider what they could save by kicking the habit, ahead of National No Smoking Day. Not only on the cost of buying cigarettes, but by shaving up to 50 per cent off their life and serious illness insurance premiums, which could total more than £12,500 over the term of the policy.¹

Add to this figure the £2000-or-so saved on buying cigarettes each year, the total saving would be equivalent to awarding yourself a 9.5 per cent pay rise.² It clearly makes no financial sense for people to keep sending their money up in smoke.

On 12 March 2008, the UK will have its first National No Smoking Day since the smoking ban was implemented in public places. Research conducted by PruProtect,³ the innovative protection provider, has shown that for those smokers still willing to brave the cold outdoors, price may become the final determining factor in the bid to stamp out cigarettes for good.

One fifth of smokers (20 per cent) said they would be willing to pay up to £6.00 for a packet of 20 cigarettes. But more than double that amount (46 per cent) of smokers admit £5.00 a pack is about their limit. With prices already hovering around the £5.00 mark, it is possible that any increase in price come budget day could prove a sufficient deterrent to those struggling to kick the habit.

Sammy Rubin, CEO, PruProtect, said: “National No Smoking Day is a time when smokers will be thinking about the true cost of their habit, financially and physically. At PruProtect we support both, and offer those wanting to quit not only a financial incentive by saving money on premiums, but encourage people to lead a healthier life style through our Vitality points scheme. To help those finding it tough to quit, we also offer heavily discounted entry to Alan Carr’s Easy Way smoking cessation courses.”

Smoker and non-smoker rate table for life insurance with serious illness cover:

	Male Smoker	Male non-smoker	Total saving	Female smoker	Female non-smoker	Total saving
Age 35	£64.01	£41.52	£6,747.00	£57.41	£38.24	£5,751.00
Age 40	£107.54	£65.65	£12,567.00	£88.62	£57.30	£9,396.00
Age 45	£224.21	£121.09	£30,936.00	£171.00	£105.85	£19,545.00

Source: PruProtect – www.pruprotect.co.uk. All quotes correct as at 03.03.08. Based on £100,000 of life and serious illness cover, over 25 years.

Up in smoke

Shockingly, three per cent of smokers really are willing to burn money, admitting they would still buy cigarettes if they cost more than £20 per pack of 20. Worryingly, six per cent of smokers in Scotland & Northern Ireland, and four per cent of smokers in the East of England, Wales and the South West would not be deterred by each cigarette costing £1.00.

A smoking habit at this rate would cost nearly £7,300 every year. When also taking into consideration the extra premiums smokers pay on their life and serious illness cover, it becomes a staggering £7,800 per year.⁴

Women are more likely to kick the habit if costs rise, with 50 per cent admitting they would be unlikely to pay much more than today's prices, compared to 41 per cent of men.

Regional burning barriers

- Londoners are the least put off by the £5 barrier, with just 36 per cent of smokers in the capital feeling they have reached the limit they are willing to pay.
- But no London smoker would pay more than £12 per pack of 20 cigarettes.
- Smokers in Wales, the South West and the Midlands are all most averse to the price of cigarettes rising further, with 51 per cent of smokers in each of the regions claiming £5 per pack is about their limit.
- Scottish smokers are the most hooked, with more than one in five (six per cent) prepared to pay over £1.00 per cigarette, or more than £20 per pack of 20.

-Ends-

Notes to Editors

¹: £12500 over the term of the policy savings. Male, aged 40 would pay £107.54 per month as a smoker for £100,000 of life and serious illness insurance over 25 years. A non-smoker would pay £65.65 per month. A saving of £41.89 per month, £502.68 per year x 25 years = £12,567

²: Average UK salary is £24,000 per annum source: National Statistics November 2007

<http://www.statistics.gov.uk/pdfdir/ashe1107.pdf>

Assuming a packet of 20 cigarettes costs £5, a 20 a day smoker would spend £1820 per year £502.68 per year saving on life insurance

£1820 + £502.68 = £2322.68

£2322.68 as a percentage of £24,000 = 9.6 per cent

³ Research conducted by Opinium on behalf of PruProtect to a panel of 2000 people in February 2008

⁴ Cost of £20 per pack of cigarettes for a 20 a day smoker = £7280. £502.68 a year saving on life insurance premiums totals £7782.68

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.

Media enquiries

Sophie Dawn

Tel : 020 7150 2574

Mobile : 07810 753485

About PruProtect

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 and severity based Serious Illness cover. PruProtect is based on the innovative Vitality points system 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.