

Simplified Income Protection:

How Holloway can help

Andy Chapman, CEO Pioneer

Holloway Plans – Outline

Founder: George Holloway, late 19th Century

- Mill workers in Gloucestershire
- Mutual status
- Income protection with investment element

Holloway Plans – Features

- Simplified pricing structure
 - No loading for occupation
 - No loading for gender
 - No differentiation for smokers
- Option of cover from day 1 of incapacity
- Tax Free investment element payable on maturity

Holloway – The Benefits

- “One rate for all” – transparent pricing
 - No confusion over occupation class
 - Female rates
- Cover from Day 1
 - Self-employed & high risk/manual occupation
- Simplicity, ease of sale
 - In comparison to mainstream IP propositions

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Holloway – The Challenge

Marketing

- Perception of limited “Niche” – blue collar sector
- Mutuality – help or hindrance?
- Limited promotional budgets
- Relevance of protection/investment combination

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Holloway – The Challenge

Pricing

- Ensuring pricing not over-focused on niche
- Proportion of premiums invested
- Normally age attained bonus

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Holloway – The Challenge

Underwriting

- High risk profile
- Managing intermediary & consumer expectation
- Traditionally using exclusions
- Some providers using moratorium

Holloway – The Challenge

Claims Management

- Good claims management principles apply
- Generally excellent claims records
- Short deferred - high cost relative to claim

Holloway – Anti-Selection

- Good New Business Underwriting
- Good Claims Management
- Good M.I

Despite the above, some Anti-Selection is inevitable

Holloway – What can we learn?

- Simplicity & transparency
- Untapped market sectors
- Specialist, service focused providers
