

British Friendly to launch new Income Protection product

British Friendly will be launching a comprehensive new Income Protection plan for intermediaries later this month.

The product, which has been designed based upon intermediary feedback, will offer “own occupation” cover throughout the life of the policy; even for riskier occupations.

As well as providing long term cover to a retirement age of 70, short term “budget” cover will also be available. In addition to the traditional one and two year options five year cover will be an option, which is rare in this market.

Plus, responding to industry demand – reduced premiums may be offered if certain exclusions are applied, which is becoming more common in the critical illness market, but is also rare for income protection.

Other key product features:

- No premium loadings for occupation, gender or smoking
- Maximum cover up to 70% of gross annual income and available to age 70
- Day one cover and short deferred periods available from 1 week up to 52 weeks
- Short term cover is available for 1, 2 or 5 years
- Benefit payments and commission paid weekly
- Guaranteed insurability and career break options
- No standard exclusions, no initial waiting period and no policy fees
- Rehabilitation and proportionate benefits offered together with support during the claims period through our health counselling and advisory service
- Premium rates are age related which means premiums can be lower and more affordable at younger ages
- 96% of claims paid in 2010

British Friendly CEO, Mark Myers, said: “We have over 100 years experience of protecting our members and supporting them to return to work. Our new BFS Protect policy will be available exclusively through financial advisers and will build on this proud heritage. Together with an outstanding online experience the proposition will provide the piece of mind our members have always been able to rely on.”

“BFS Protect” will be available to IFAs via a streamlined online e-business, which means it will be quick and easy to obtain quotes and submit new business. The system also enables cover to be paid weekly in the event of a claim. All applications will be underwritten by tele-interview and intermediaries will be able to track the progress of their pipeline business online in real time.

Peter Chadborn, Director of IFA Plan Money, said: “This looks like a very good product, which ticks all the right boxes. In a market which is seeing a reduction in providers it is pleasing to see a new entrant. It is often the case that specialist products are best offered by specialist providers, and this is no exception.”

Quotes are available to intermediaries from March 21st.

Example pricing

Quotes for a female newsreader, age 35, £2,000 per month benefit, deferred 8 weeks, non-smoker, own occupation cover, to age 65:

British Friendly - £54.20 per month

Exeter Family Friendly - £64.05 per month

To age 68:

British Friendly - £55.80 per month

Exeter Family Friendly - £67.00 per month

Quotes assume good health. Correct as at March 2011 (Source: The Exchange).

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Notes to editors

About British Friendly

Founded in 1902 to provide sickness benefits for Commercial Travellers and their families, British Friendly have over a century of experience of “being there when our members need us most”. Based in Bedford, British Friendly is one of the larger UK Friendly Societies with nearly £100m in assets. As a mutual we exist solely for the benefit of more than 14,000 members and have no shareholders to whom we need to pay dividends. Since 2002 we have also managed the British Airways Benefit Fund.

Mark Myers was appointed as Chief Executive in July 2010 to implement the strategic change programme agreed by the Committee of Management. Mark has 27 years of financial services experience including 22 years with Lloyds TSB in Sales and Marketing roles, latterly as Retail Sales Director. He then joined LV= in 2005 as Distribution Director and also Chief Executive of LV=’s in house IFA. He has also had attachments to the DTI and the FSA Financial Capability programme.

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