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PruHealth And PruProtect With Vitality Announce Annual Results

Discovery, the majority shareholder of PruHealth and PruProtect, has released its annual results for year ending June 2014 showing normalised profit from operations of R4 976 million, an increase of 23% on the previous year. Within the results published by the South African firm, strong performances from its UK businesses were amongst the many highlights with over £39.2m of pre-tax operating profit earned in the period, up by 10.4%.

A summary of other key highlights includes:

- Combined UK business now covers 753,000 customers – an increase of 6.5%
- New business sales up by 9.4% to £107.8m (Overall new business contribution of 17.5% for Discovery – up from 14.7%)
- Overall premiums/revenue up by 14% to £480.5m
- Combined PruHealth and PruProtect pre-tax operating profit contributes 12.6% of overall profit for Discovery – up from 11.6%.

Commenting on the results, Neville Koopowitz, CEO of PruHealth with Vitality said: “Repeating Discovery’s unique and successful business model here in the UK is the key to our positive results in a challenging marketplace. Our health and protection businesses are built on innovation, quality and value, resulting in continued strong performances. Over the last two years we have invested heavily in systems to support better business efficiency, sales and portfolio management and claims management.

“Vitality is the core mechanism that underpins all our products and it is paying dividends. It provides value for everyone, including considerable cost savings to members through significant discounts on a wide range of health and wellbeing-related products and services. It also delivers good loss and lapse ratios for our insurance products.”

During the last 12 months, PruHealth and PruProtect have focused heavily on increasing levels of take-up and engagement through a number of measures:

- **Vitality product development:** continued development and strengthening of the Vitality proposition and its network of Vitality partners
- **Linking insurance products more closely to Vitality,** for example:
 - PruProtect launched Vitality Optimiser product and nearly 40% of new business now has Vitality Optimiser.

- PruHealth further integrated Vitality into its health insurance through steps such as Vitality-linked No Claims Discount and Protection.
- **Creating customer engagement:** members are using at least one Vitality benefit every 10 seconds, not only receiving value for money, but also being motivated to make positive behaviour change and benefiting from improved health.
- **Investing in the Vitality brand:** through a number of high profile sponsorships and events driving higher direct to consumer and direct to business sales, while making it easier for intermediaries to recommend a higher profile product.
- **Building a personalised customer journey:** creating a frequent, positive and engaging customer journey, which is tailored to each individual.

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Notes to Editors

PruHealth and PruProtect with Vitality

PruHealth with Vitality is one of the UK's leading private medical insurers which have pioneered a new style of cover – Lifestyle Health Insurance. As well as providing first class cover and clinical care for when people are ill, it focuses equally on prevention and keeping people fit and healthy. It launched in the UK in 2004 as a joint venture between two large international financial services companies – Prudential plc and Discovery, a South African listed company operating in the USA, China and Singapore as well as the UK and South Africa. pruhealth.co.uk

PruProtect with Vitality was launched in September 2007 as an extension of the joint venture between Prudential and Discovery. One of the fastest growing life insurers in the UK, it is unique to the current UK protection market and its suite of products includes Life Cover, Income Protection Cover and severity based Serious Illness Cover, additional benefits and Business Protection. 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. pruprotect.co.uk

Vitality is the healthy living rewards programme offered by PruHealth and PruProtect, that helps people understand how they can improve their own personal health. Vitality makes it cheaper and easier for its members to get healthy and gives them rewards to keep them motivated, through a range of discounts and incentives.