

## Gender neutral pricing factsheet

**What is it?** - as a result of a decision of the European Court of Justice, the UK Government will amend the Equality Act 2010 to ban the use of gender, as a rating factor, in the pricing of insurance policies from 21 December 2012. This means that, at some point before this date, we will no longer be able to offer different premiums and benefits for males and females, as these will have to be calculated on a gender neutral basis from that date. We are considering the implications of this change and will take appropriate action over the coming months.

**What does it mean to me?** - if you are considering taking out a new insurance product, depending on the type, it may be better in some circumstances to act sooner and in others, delay your decision. Gender neutral pricing is likely to impact on a range of new insurance products e.g. car insurance, annuities, life cover.

**What impact could it have?** - for example, a male purchasing an annuity may receive a lower annuity income after the new gender neutral pricing is introduced, whereas a woman purchasing an annuity may receive a higher income. For life cover, premiums may increase for female lives and reduce for male lives. This is of course dependent on individual circumstances therefore, if you are currently considering your finances such as retirement, savings or protection we strongly recommend you speak to your financial adviser.

**What do I need to be aware of?** - you need to be aware that any quotes we provide are based on differential pricing rates which take gender into account. These quotes are unlikely to be valid after the gender neutral pricing is introduced later this year. Any new quotes processed after the introduction of gender neutral pricing will be based upon gender neutral rates, irrespective of whether you have received a previous quote, and may be very different.

It is important you are aware that some pension policies offer a Guaranteed Annuity Rate (GAR) at your selected retirement date. If you are considering taking your annuity sooner or later than your selected retirement date you may risk losing your GAR entitlement. If you are concerned about this we recommend you speak to your financial adviser or contact us using the details provided in the covering letter.

**What about my existing policies?** - existing policies are less likely to be affected, although if they are reviewed or renewed there may be an impact on the level of future premiums or benefits as they may be calculated on the new gender neutral pricing rates. In some cases changes to existing policies may also need to be on the new rates.

If you have any concerns about gender neutral pricing please speak to your financial adviser or contact us.