

**ADDRESS OF EARL MOORE, BLAST OFF 2007, JAMAICA CONFERENCE
CENTRE, FRIDAY, JANUARY 5, 2007**

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'Vision of the Future, 2007'

Masters of Ceremonies...
Members of the Guardian Holdings and Guardian Life Executives...
Distinguished guest speakers...
Fellow Life Guardians...
Brokers...
Members of the media...

It would be amiss of me to start my presentation without taking time out to trust that you had a Merry Christmas and wish for you and your families a bright and prosperous New Year; one where your expectations will be met and your dreams and visions will come true.

With that in mind, I want to officially welcome you all to our annual Blast Off which is being held under the theme 'Vision of the Future'. Special welcome to our visitors from Trinidad and Belize, and to our policyholders, business partners, staff, well-wishers and friends... we are happy that you can be part of this milestone event today.

As you know, Christmas is a time of great gift-giving and receiving and on Christmas morning, I was awakened by my daughter's excitement. She wanted me to open the present that she got for me. The kind of enthusiasm and excitement that she generated had me thinking that I must be getting a brand new Movado watch or some other priceless jewelry. I jumped out of bed to see this huge square-shaped wrapper. When I opened it, it was a wall hanger that said: "I can do all things through Christ who strengthens me." Now, the only thing I can remember is that for the several months that I spent with her and her friends during their preparation for the GSAT exams, I kept drilling that phrase in their minds, so this gift suggests that I left an impression on her

mind; and that is what I would like to do today. I trust that my presentation will indeed leave a positive impression on your minds!

The year 2007 marks a new era in the live of our Company for several reasons; but primarily because we will be transforming our company into:

- A firm that is truly customer-centric; that is, the customer will become the centre of our existence; and secondly into
- A firm that will move from simply focusing on the bottom-line to one that takes a four-pronged approach to executing its strategies by including other areas: internal business processes, employee learning and growth and importantly, the customer perspective.

Against that background, we have carefully crafted a new vision for the firm, and this is “To be recognized as one of the premier Life, Health and Pension Services providers in Jamaica.” Deeply entrenched in attaining this vision is the concept of ‘relationship building’. As a corporate entity, we must pay close attention to the kinds of relationship we build with all stakeholders: customers, agents, employees, shareholders and the wider community.

Later on in my presentation, I will divulge a new approach that we will be embarking on to building customer-relationship and loyalty. At this stage however, I want to emphasize that the relationship that we build with our employees, you the staff members is of paramount importance and necessity as we are aware that you are the vanguards and executors of the strategies that we seek to embrace in an effort to meet our objectives for the New Year.

It is of necessity therefore that I point out that we will continue to seek new ways of building on our techniques of reaching out to the experiences, concerns and feelings of our staff members, both sales and administrative. A simple gesture when an employee's relative dies or when one of our own gives birth can go a far way in signaling that we care. We must all however be cognizant that all relationships sometimes carry bitter and sometimes sweet moments; it's a matter of how we manage that relationship when either situation comes to the fore. A simple illustration, for last year, we shared in the joy of 9 births and the condolence of 26 of which two were our very own staff members, Alford Bailey and Austin Thompson. Some mark the start of brand new relationships filled with joy and some mark the end; those of course were sad moments for many of us.

Notwithstanding, relationship building is an important part of our daily existence and when we nurture a special relationship, it takes a toll on us emotionally and psychologically if it were ever to come to an end. I will share with you my experience with my special group of agents that I spent the last 6 months with. Having shared with you the softer side of my presentation let me now address the theme, 'Vision of the Future'.

High Performance Culture

I am a man on a mission to create a high performance culture backed by three core values: Integrity, Respect, Excellence and Commitment. My primary mission is to ensure the execution of the strategies to be employed for 2007 and these were derived as a result of the objectives that were established by the Executive Team, comprising myself, Eric Hosin, Senior VP, Meghon Miller-Brown, VP, Individual Life and Finance; Audrey Basanta-Henry, VP, Human Resource & Corporate Services; Paul Smith, AVP,

Information Technology; Cathy Allen, AVP, Actuarial and Claudette Ashman, Legal Officer and Company Secretary. These strategies will be executed by our Operational Team comprising all managers and AVPs and Branch Managers.

Ladies and gentlemen, during the past six months, we have spent a lot of time examining our past performances; our current performance and anticipating our future performance. Growth within GLL has not met our expectations and has been threatened by a number of factors including a bearish stock market and low sales performance. Our projections for the past 2 years have therefore fallen below established targets.

While our API grew by from \$630M to \$730m; this was less than we forecasted. This did not happen because the market is saturated. This is clearly demonstrated by the performance of our competitors who produced admirable results.

Compared to the period 2000 to 2004, our growth rate has slowed down significantly. That period represented the heydays of GLL; we exhibited a level of excitement and enthusiasm never again experienced in our short history. 2005 however marked the year of a downturn in performance; sales and overall growth rate began to decline and we have not been able to turn the tide just yet. Life Guardians, the time for change has come. We need to ride the wave of growth enthusiasm again as we seek to achieve a target of \$1.2B in API for this year. We need to start feeling the fire within; the burning desire to produce and excel; to be the best at the game we know so well.

Growth is threatened because there has been a failure on the part of management to execute our strategies. We continued to operate in the old paradigm despite the clear

signals that we need to change. Over time, we have become product-oriented instead of customer-oriented.

I urge us all Life Guardians, to re-examine our Mission Statement—and to remind ourselves of the main purpose for which the Company exists: “...to be the dominant provider of personal financial services.....for the benefit of our customers, agents, employees, shareholders and the wider community”.

Since our inception we have endeavored to ensure that the mission makes sense to our management, employees and our customers. Today we must understand that our **customers, employees, the community and our shareholders** are the four parties—the four main stakeholders in our business. If **customers, employees and the community** are properly taken care of, the stockholder will benefit in the long pull.

A famous Ian Wilson of the American Association for the Advancement of Science once said: “We shall never be able to escape from the ultimate dilemma that all our knowledge is about the past and all our decisions are about the future.”

I want to invite you to come with me on a mission. I want to invite you to share with me my vision of the future. It is based on my 38 years experience in the Insurance business. I started as a filing clerk, new business and underwriting clerk, assistant to the head of HR, supervisor group life and pension, insurance salesman, unit manager, branch manager, executive branch manager, assistant vice president-sales & marketing, vice president –sales, marketing and services. During all these years it has been embedded in me to determine what business I am in. I have grown up to know that I am in a financial services business that greatly depends on relationship.

Let us take this relationship in stages and start at the beginning:

Let's start at determining who our customers are... Our primary customers are the sales representatives; then we have our policyholders and our staff.

I'll use a simple analogy to make a point: Motorists generally hate the experience of buying gasoline and therefore make every effort to delay the transaction. Have you ever asked yourself why you hate buying gas? It's because you cannot see, taste, feel, appreciate or really test it. When you buy gas, you have really bought the right to continue driving your cars. Life insurance is no different. What the consumer buys is peace of mind to know they and their loved ones are provided for in the event they don't live long enough to accomplish their goal or they have lived for very long and therefore have need for retirement income or have become disabled.

But the gas station is like a tax collector to whom you are compelled to pay a periodic toll as the price for using your car. This makes the gas station basically an unpopular institution. It will never become a popular, high sought after place to go.

Similarly as gas station customers who do not like to be interrupted to buy phantom products, the entire GLL must develop new strategies to lure customers and during 2007, we want this strategy to be that the organization is seen as a customer-satisfaction centre of excellence. As a team, we must look beyond developing products; instead we should see ourselves as providing and creating value satisfaction. We must emphasize this new thrust in every nook and cranny of GLL. We must do it continuously and with the kind of flair that will excite and stimulate every staff member; otherwise, the company will have no sense of purpose or direction.

Our next stage is examining the relationship after the sale is over

The relationship between policyholder & agent does not end when a sale is made. The relationship must intensify after the sale. It will help to determine repeat sale.

The sale, merely consummates the courtship, at which point the marriage begins: How good the marriage is depends on how good the agent manages the relationship. The quality of the marriage determines whether there will be continued or expanded business or trouble and divorce.

The relationship with our customers.

Customers want us to keep our promise; they want us to keep supplying & standing behind what we promised. The era of one-night stand is gone. Marriage is both necessary and more convenient.

One of the surest sign of bad or declining relationships is the absence of complaints from the customers. Nobody is ever satisfied, especially not over an extended period of time. The customer is either not being carded, or not being contacted. The absence of candor reflects the decline of trust and deterioration of the relationship. Bad things accumulate and impair communication and these are both a symptom and a cause of trouble. Things fester inside. When they finally erupt, it's usually too late or too costly to correct the situation, and that is why we will be launching a special programme called Tell GLL today.

We all invest in the relationships and borrow from them. We sell them account for our actions and almost never manage them. Yet GLL's most precious asset is it's relationships with its customers. What matters is not whom you know but how you are known to them.

Part of the problem I believe is that those who make the promises are paid commissions before the customers get what was promised. They are not likely to feel compelled to ensure that the customer gets full satisfaction later on. After one sale is complete, they will run off to pursue others.

With the exceptions of our admin staff who work in our sales and marketing, others seldom see beyond the walls of GLL. For those inside those walls, that is the place where the work gets done; where the penalties and incentives are doled out; where the budgets and plans get made; where performance is measured; where our friends and associates gather; where things are managed and are manageable. The individualistic attitude among some is that outside “has nothing to do with me” and it is believed is the place to be where “you can’t change things.”

Problems arise not only because the agents who do the selling and the servicing have varying incentives and views of the policyholders but also because as an organization, sometimes we appear to be one dimensional.

Ladies and gentlemen, it simply means that there is no other way except to change. We must change.

In the book *Tools of Cooperation & Change* by Clayton Christian, Mat Mary & Howard Stevens, it is stated: “Like orchestra conductors, managers direct the talents and actions of various players to produce a desired result. It is a complicated job, and it becomes much more so when managers are trying to get people to change rather than continue

with the status quo. Even the best CEOs can stumble in this attempt to encourage people to work together towards a new corporate goal.”

As managers we must have cooperation from those who report to us. To achieve such cooperation, we have a variety of tools at our disposal. There are financial incentives such as bonus, motivational speeches, training programmes and outright threats. Most competent managers are aware of what tools are available. The problem is they are not sure which to use. The effectiveness of the tools you use depends on your organization, the department, and the respective situation of your division.

As for the sales team, we have started the programme of enhancing your tools to ensure that you are equipped to carry out your jobs to achieve the stated target, and hence there is a special group of top performers who will be provided with a salary to take care of administrative responsibilities. You are also aware of the cellular telephone programme that is in place to assist with your communication process.

We must recognize however that as we embark on a high performance culture, we must cement in our minds that it is necessary to embrace efficiency, continuous improvement of individuals, groups and processes; become more creative, flexible and empower our staff members. We must have high aspirations and a burning desire to win; we must seek to always delight our customers; take responsibility of the business enterprise and act responsibly as if it were our own; and be doers not talkers.

Life Guardians, having emphasized the need to move the organization to one that is more customer-focused, I will now move to the introduction and launch of our ‘Tell GLL Programme’. This is a new initiative where staff and customers alike are urged to

provide us with their concerns and suggestions in a convenient and confidential manner. Below you will see a star-shaped box with a standee directing you to share your concerns and suggestions. Again, I emphasize that the information that you share will be handled with the strictest of confidence and will be only handled by the President's office. These will be located at all GLL offices islandwide.

Without further ado, I now invite four of our policyholders, Mr. Fitzroy Campbell; Mrs. Delores Gooden; Mrs. Yvonne Bailey and Mrs. Sharon Harvey-Wilson to share their experiences with us from a customer service perspective. Life Guardians, the objective is to help us recognize where we are doing well and not doing so well... as we seek to improve our service.

We now move into the third stage of my presentation, and this has been somewhat of a surprise element. Ladies and gentlemen, today we have been blessed with the presence of a number of top class world athletes in our midst; people whose lives are governed only by a high performance culture; people whose track record is a true testimony of what being focused and being simply the best and what they believe in, truly mean. Ladies and gentlemen, help me to welcome a number of persons who are associated with the sport of athletics:

- Darryl Brown, Trinidadian athlete, studying at the University of Technology and sponsored by Guardian Life of the Caribbean;
- Anthony Davis, Director of Sports, University of Technology;
- Paul Francis, coach, University of Technology;
- Bruce James, President, MVP Track & Field Club; and
- Sherone Simpson, world's fastest female athlete, Olympian and CAC Athlete of the Year

Why are they here? Today, we would like to announce that Guardian Life has entered into an agreement with the MVP Track & Field Club and Miss Simpson to be to collaborate on a new advertising campaign for 2007. Miss Simpson will proudly carry the Guardian flag in a number of television and print advertisement for one year.

Today, however, she is here to share some of her own experiences with us and how her vision of the future continues to be the motivating force for her to achieve what she has as a young, professional athlete.

Our own achievements for 2007 must also be measured in the superlatives. To predict positively, let me paint a best case scenario for our performance in this coming year once we have put in place all the customer focused measures I have mentioned.

A report at the end of this year might read as follows:

Guardian Life Limited made \$783M in net profits attributable to shareholders for the 12 months ending December, 2007. This was 70% increase on profits of 2006. Total assets of \$22.6B as at end December 2006 increased by 17% to \$26.6B at the end of December, 2007. Total Assets of \$26.6B at the end of December, 2007 reflect an increase of 17% over the \$22.6B recorded at the end of December 2006.

Net Revenue Earnings in 2007 was \$6.6B. This was made up of revenue of \$2.4B from Ordinary Life (OL) business \$1B from MedeCus, and a 21% increase in fee-related income from Ordinary Life and Pension portfolios. Investment Income of \$2.5B was 28% better than 2006, despite the macro-economic environment.

Total Expenses were controlled at 6% below 2006 levels. Insurance benefits and claims of \$3.2B was 15% less than previous year while management and operating expenses

of \$2.2B, supporting the achievement of the firm's strategic objectives, were 13% above 2006.

The improved earnings performance mainly reflects the outstanding performance of the OL sales force and the MedeCus Team. Annualized Premium Income (API) increased by 40% to \$1.2B. According to Earl Moore the firm's President and CEO, "this a record for the sales force as it is the first time it has exceeded the billion dollar mark for API. MedeCus also established itself as Billion dollar producer with income of \$1B- 24% better than last year. Not to be outdone there were significant gains from our Group Life, Annuities and Pension Business."

Significant market share were achieved in the Life, Health & Pension sector. Ordinary Life market share increased from 35% to 40%, Health increased from 9% to 12% while group life increased from 18% to 28% and pension from 25% to 27%

Finally, let me say that I am convinced that the entire staff and our executives who are driven by a need for change and committed to a new way of managing in 2007 will give us the performance oriented culture we seek and make the aforementioned possible.