

Consumers and General Insurance - UK - December 2016

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“Sales of general insurance are well set to grow by volume because of the captive customer bases in car and home insurance. However, intense price competition could hold back growth in premiums. Looking ahead to 2017, the pending rise in IPT will further squeeze the profitability of policies.”

– **Rich Shepherd, Senior Financial Services Analyst**

This report looks at the following areas:

- **The connected home offers new insurance opportunities**
- **Aggregators make cross-selling policies increasingly difficult**
- **Understanding of policies must be improved**

The general insurance market enjoyed a relatively stable period in 2015, achieving a modest increase in value thanks largely to growth in the motor category. Throughout 2016, average premium prices have risen in car insurance, supporting growth across the industry as a whole, but this has been held back somewhat by continued downward pressure on prices in the property sector.

Consumers hold insurance in a high regard, so the industry is expected to grow in the coming years. However, developments throughout 2016 have created challenges and opportunities that providers will have to face in 2017 and beyond. The FCA's introduction of new transparency and engagement rules will be introduced in April 2017, while the third increase to premium tax will take effect from June 2017. Further ahead, Brexit has myriad potential consequences for the industry, while developments in smart technology are opening up new avenues for innovation in insurance.

This Report gives a high-level overview of the UK's general insurance markets. This includes examining the size of the industry and its constituent categories, and analysis of the market share of the leading insurance underwriters. The Report also looks at company strategies, innovations, and advertising activity. Finally, Mintel's exclusive consumer research examines levels of product ownership, how people research and buy general insurance, including whether those who have more than one policy shop at the same insurer or keep them separate, and consumer attitudes towards aspects of insurance such as data sharing and transparency.

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DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

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Two fifths are unwilling to provide personal data to insurers
Poor understanding makes it hard for people to evaluate policies

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