

# Life and Protection - UK - October 2009

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## What is this report about?

It has been a fact of life for the life protection industry for many years that UK consumers are under-insured. Recent trends in life premiums have done nothing to suggest that this situation will dramatically change in the near future.

This report provides an assessment of recent trends within this sector. It analyses market data, considers the prospects for future growth and reports industry views on a range of salient issues. In addition, it provides analysis of Mintel's independently commissioned consumer research, which identifies the proportion of adults who own protection products and what type of policies they hold; gains a deeper insight into the customer experience when arranging a life policy; and considers attitudes towards a number of issues relating to life insurance.

## What have we found out?

- The guaranteed acceptance over-50s market has seen spectacular volume growth over the last few years. Its simple marketing message, affordable premiums and a surge in interest from bancassurers have made this the star player of the life insurance market.
- IFAs still account for around half of all premiums, showing that despite a drive to simplify products, consumers are still wary of buying without advice.
- The high street banks could be key to future growth. Most people prefer to buy cover face-to-face, making the branch network a vital distribution tool. For modest levels of cover, premiums are fairly low, potentially making it a relatively easy product to sell in-branch.
- On the subject of premiums, there remains a degree of misunderstanding. Particularly among younger, less affluent people, there is a widespread belief that life cover is simply too expensive. People won't even bother getting a quote if they automatically assume that insurance is out of their price range.
- Life cover isn't currently covered by the retail distribution review, but the review is still creating major changes across the industry. Life companies are placing an increased emphasis on selling direct to the consumer, anticipating a fall in business volumes coming through the IFA sector.
- Consumer research suggests that there's scope to bring 20 million consumers into the market - most of whom have never owned cover before, but who are open to an offer.

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