

## Income Protection - UK - February 2015

Report Price: £1750.00 | \$2834.04 | €2223.04

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“Penetration of individual long-term income protection has fallen over recent years. Yet, at the same time, membership of group schemes has grown. Providers need to invest in greater marketing and promotion in order to rejuvenate the individual sector, while continuing to maintain growth in the group sector.”  
– Sarah Hitchcock, Senior Analyst – Financial Services

### This report looks at the following areas:

- Educating mortgage borrowers will help improve the market's fortunes
- Trade body promotes the idea of group income protection to reduce the sickness absence bill
- Welfare reform creates a fresh opportunity to remind people of the benefit of having income protection

Inability to work due to illness or injury can have a catastrophic impact on a household's finances. Traditional long-term income protection is designed to reduce the impact of this loss of earnings, by providing a replacement income until the insured is well enough to return to work, or reaches retirement or death. Yet despite the central importance of income in the maintenance of a comfortable lifestyle, the majority of workers in the UK have no income or expenditure protection whatsoever. Many also have no or limited savings to fall back on should they experience a reduction in income due to illness.

Despite the value of the product, the industry has failed to substantially increase the take-up of income protection. Sales are held back by cost, product complexity and consumer apathy. As a result, there remains a significant income protection gap. This does, though, mean that there is still huge potential for market expansion. Protection providers realise that raising the profile of the product among financial advisers, employers, policymakers and the public is key to its future success, and strides are being made in this area.

Mintel's report examines these issues and trends in detail. By drawing on a range of information and trade sources, it explores the market's prospects for growth over the medium term. Mintel's market analysis is complemented by the results of an independently commissioned consumer survey, which provides insight into the attitudes and behaviours of those covered by both short- and long-term income protection policies, as well as general public perceptions of protection insurance.

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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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