

Mass Affluent/HNW Consumers and Insurance - UK - November 2015

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"The profile of the affluent insured is shifting, both among the wealthiest and the aspirational. Insurers are being challenged to keep pace with the changing needs of wealthier people and a tight competitive environment is making it harder to stand out."

– Patrick Ross, Financial Services Analyst

This report looks at the following areas:

- Dedicated, UK-based client services can add value across all wealth levels
- Migration and foreign asset ownership demand a global insurance proposition

A handful of traditional, specialist players have dominated the ultra-high net worth insurance market for many years. However, the prevailing trend of high competition in mass market personal lines has found its way into the premium product space. The behaviour and background of affluent people is changing as more overseas-born wealthy individuals choose to make the UK their home and more upwardly mobile people realise their aspirations.

The specialist insurers must adapt to these changes if they want to keep access to the full market, whether at the super-rich, broker-distributed level or for premium direct customers. Tiered products that segment the market based on wealth have the potential to introduce aspirational customers to more exclusive products and build brand through experience. The introduction of personal cyber and data insurance is set to provide real differentiation at the top, whereas personal, UK-based client support could help distinguish an insurer from its rivals in the mass affluent market.

This report investigates the way in which the UK population of wealthier individuals is changing and examines physical household wealth as a proxy for home and motor sums insured. The report also includes analysis of Mintel's exclusive consumer data, which reveals product ownership and insurance management behaviour as well as attitudes towards insurance and providers.

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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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Table of Contents

Overview

What you need to know

Executive Summary

The market

Personal lines business stalls under competitive conditions

Figure 1: Personal lines gross written premiums, 2010-14

Physical wealth ramps up as people amass household contents

Figure 2: Breakdown of household gross physical wealth: Great Britain, 2006/08-2010/12

The consumer

Home and car cover are the foundation for HNW business

Figure 3: Product ownership, August 2015

Wealthier people still see value in comparing on price

Figure 4: Research activities in the last 12 months, August 2015

Renewal outweighed switching in the last 12 months

Figure 5: People's insurance experiences and management behaviour in the last 12 months, August 2015

Price is still a key differentiator for wealthier clients

Figure 6: Reasons given for switching insurer in the last 12 months, August 2015

UK-based customer service helps steer choice of insurer

Figure 7: Proportion ranking "UK-based customer service staff" as one of three most influential factors on choice of home insurers, by age and rank, August 2015

Loyalty is being weakened by price motivations ...

Figure 8: Attitudes towards arranging insurance, August 2015

...but transparency could help to increase loyalty

Figure 9: Attitudes towards cover and value, August 2015

What we think

Issues and Insights

Dedicated, UK-based client services can add value across all wealth levels

The facts

The implications

Migration and foreign asset ownership demand a global insurance proposition

The facts

The implications

The Market – What You Need to Know

Intense competition suppresses total market premiums

Household wealth and second homeownership are increasing

The distribution of wealth and the population of wealthy people is changing

Insurance Market Overview

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General insurance

Personal lines business stalls under competitive conditions

Figure 10: Personal lines gross written premiums, 2010-14

Direct-dominated motor market presents opportunities for high value car insurance

Figure 11: Personal motor insurance business (GWP), by distribution channel, 2014

Private or premium banking product partnerships could deliver growth

Figure 12: Personal property insurance business (GWP), by distribution channel, 2014

Life insurance

Life insurance has stabilised following a period of decline

Figure 13: Life insurance (GWP), 2010-14

Life insurance distribution is dominated by advice

Figure 14: Total regular protection premiums, by distribution channel, 2014

Trends in Household Wealth and Home Ownership

Physical wealth ramps up as people amass household contents

Figure 15: Breakdown of household gross physical wealth: Great Britain, 2006/08-2010/12

The distribution of physical wealth is skewing towards the highest bands

Figure 16: Distribution of household goods in main residence, by banded values: Great Britain, 2006/08 - 2010/12

1 in 10 people has collectibles or valuables

Figure 17: Percentage of households with collectibles or valuables (including antiques, artwork and stamps): Great Britain, 2006/08-2010/12

Identifying second homes is key to growing income from existing clients

Figure 18: Proportion of second homes abroad, by location, 2013-14

Migrants are likely to be protective about properties they leave behind

Figure 19: Reasons for having a second home, of households who own a second home in England, 2013-14

Population of Mass Affluent/High Net Worth Consumers

The UK is the top destination for super-rich migrants...

Figure 20: Countries ranked by inflows of HNWI's*, 2000-14

...and the popularity of the UK is likely to drive further inflows

Figure 21: Overseas-born population in the United Kingdom, excluding some residents in communal establishments, by top ten countries of birth, January 2014-December 2014

Companies and Brands – What You Need to Know

Product development is key in the battle to stand out

Competitive Strategies

Competing on client experience

Oak Underwriting

Dual International

To split or not to split?

Chubb

Zurich

Pioneering cyber and data protection for individuals

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PURE Insurance (US)

The Consumer – What You Need to Know

- High home and motor insurance ownership can be converted into cross-sales
- Wealthier people are still sensitive to price as an indicator for value
- Communicating product quality has never been more important

Product Ownership and Channel Preference

Home and car cover are the foundation for HNW business

Figure 22: Product ownership, August 2015

The direct channel remains important for many

Figure 23: Product ownership, by channel, August 2015

Figure 24: Home contents insurance ownership, by channel and value of investable assets, August 2015

Wealthier people are open to multiple insurance products

Figure 25: Number of different insurance products owned, August 2015

Research Methods for Insurance Products

Wealthier people still see value in comparing on price...

Figure 26: Research activities in the last 12 months, August 2015

...but price comparison site use tails off as income rises

Figure 27: Research activities in the last 12 months, by household income, August 2015

Recent Insurance-Related Activities

Renewal outweighed switching in the last 12 months

Wealthier people are making mid-term adjustments

Figure 28: People's insurance experiences and management behaviour in the last 12 months, August 2015

Loyalty increases as people age

Figure 29: People's behaviour and experiences with insurance in the last 12 months, by age, August 2015

Reasons for Switching Insurer

Price is still a key differentiator for wealthier clients ...

...and specialists are being challenged to accept clients from the middleground

Figure 30: Reasons given for switching insurer in the last 12 months, August 2015

Factors Influencing Choice of Insurer

Price is still the most important consideration....

...although UK-based customer service helps steer choice of insurer

Figure 31: Factors influencing choice of home insurer, August 2015

Figure 32: Proportion ranking "UK-based customer service staff" as one of three most influential factors on choice of home insurers, by age and rank, August 2015

The mass affluent put emphasis on lowest price

Figure 33: Proportion choosing 'Rank 1' for selected factors affecting choice of home insurer, by value of investable assets, August 2015

Attitudes towards Arranging Insurance

Loyalty is being weakened by price motivations

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Previous brand experience is important to nearly one in two

Figure 34: Attitudes towards arranging insurance, August 2015

Attitudes towards Cover and Value

Transparency could help to increase loyalty

Technology will help to lessen insurable risks

Figure 35: Attitudes towards cover and value, August 2015

Cover may be falling short of expectations

Figure 36: Agreement with the statement 'I am confident that every insurance policy I have covers what I intended to insure in full', by gross annual household income, August 2015

Appendix – Data Sources, Abbreviations and Supporting Information

Abbreviations

Consumer research methodology

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