

Home Insurance - UK - December 2018

Report Price: £1995.00 | \$2693.85 | €2245.17

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.



“Home insurers stand to benefit from adding value to their propositions, in a market where price competition remains a major challenge. Policy flexibility and tools to help people calculate the cover they need will appeal to new and existing customers, whilst the growing popularity of smart devices gives insurers an opportunity to move from offering protection to prevention.”

– **Jessica Galletley, Sr Financial Services Analyst**

This report looks at the following areas:

- **Innovations will help insurers to engage the younger demographic**
- **Trust in information drives usage of PCWs**

The home insurance market has struggled to achieve any real growth over the last few years, as competition between providers has put downward pressure on premiums. This will continue going forward, as comparison websites facilitate more purchases and ensure the onus remains on price.

However, new innovations offer a more positive outlook for the market. Uptake of smart home devices will give insurers new opportunities to develop their relationships with policyholders, by helping people to avoid situations in the home from which a claim may arise. Flexible cover solutions could also help broaden the appeal of home insurance, particularly among the rental market.

This Report explores consumer attitudes towards home insurance. It looks at where people go for information and their trust in different sources. It also explores what consumers find most appealing in a home insurance policy, and their interest in different policy add-ons. It also explores ownership and interest in smart home devices, and the willingness to share data collected by these devices. Finally, it examines general attitudes towards home insurance, such as loyalty and switching.

**BUY THIS
REPORT NOW**

VISIT:
store.mintel.com

CALL:
EMEA
+44 (0) 20 7606 4533

Brazil
0800 095 9094

Americas
+1 (312) 943 5250

China
+86 (21) 6032 7300

APAC
+61 (0) 2 8284 8100

EMAIL:
reports@mintel.com

DID YOU KNOW?

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

Home Insurance - UK - December 2018

Report Price: £1995.00 | \$2693.85 | €2245.17

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Table of Contents

Overview

What you need to know
Products covered in this Report

Executive Summary

The market
Mintel forecasts a slow recovery for the market
Figure 1: Forecast for gross written premiums – UK domestic property insurance, 2013-23

Number of claims falls
Figure 2: Total number of domestic property claims, 2008-17

Brokers account for the largest proportion of sales
Figure 3: Share of gross domestic property insurance premiums, by sales channel, 2013-17

Combined policy costs fall
Figure 4: Average combined, buildings-only and contents-only insurance premiums, 2012-17

FCA announces investigation into motor and home insurance
Companies and brands
Share of top five grows
Figure 5: Top 20 domestic property underwriters – UK, by share of total market GWP – ABI members only, 2016 and 2017

Simplification of application and claims process
Adspend increases by 17%
Figure 6: Total above-the-line, online display and direct mail advertising expenditure on home insurance, 2014-18*

The consumer
Two thirds have home insurance
Figure 7: Insurance product ownership, October 2018

Half consult price comparison sites
Figure 8: Sources of home insurance information, October 2018

Trust is a key driver of PCW use
Figure 9: Trust in different sources of information, October 2018

Accidental damage is the most popular add-on
Figure 10: Interest in paying extra for home insurance add-ons, by policy ownership, October 2018

Around one in three are interested in smart security devices
Figure 11: Ownership and interest in smart devices for the home, October 2018

Home insurers can add value in a number of ways
Figure 12: Attitudes towards home insurance, October 2018

What we think

Issues and Insights

Innovations will help insurers to engage the younger demographic

BUY THIS
REPORT NOW

VISIT: store.mintel.com
CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094
Americas +1 (312) 943 5250 | China +86 (21) 6032 7300
APAC +61 (0) 2 8284 8100 |
EMAIL: reports@mintel.com

Home Insurance - UK - December 2018

Report Price: £1995.00 | \$2693.85 | €2245.17

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

The facts

The implications

Trust in information drives usage of PCWs

The facts

The implications

The Market – What You Need to Know

Mintel forecasts a slow recovery for the market

Number of claims falls

Brokers account for the largest proportion of sales

Combined policy costs fall

FCA announces investigation into motor and home insurance

Market Size and Forecast

Market sees second year of growth in 2017

Figure 13: Gross and net written premiums – UK domestic property insurance, 2008-18

Mintel forecasts a slow recovery for the market

Figure 14: Forecast for gross written premiums – UK domestic property insurance, 2013-23

Figure 15: Forecast for gross written premiums – UK domestic property insurance, at 2018 prices, 2013-23

Forecast methodology

Claims Incurred and Underwriting Result

Net claims incurred rise by 6%

Figure 16: Total outgo and underwriting result – UK domestic property insurance, 2013-17

Underwriting ratio remains positive at 7.9%

Figure 17: Domestic property insurance underwriting ratio, 2008-17

Number of claims falls

Figure 18: Total number of domestic property claims, 2008-17

A third of claims are for accidental damage

Figure 19: Proportional distribution of domestic property claims, by type of peril, 2017

Channels to Market

Brokers account for the largest proportion of sales

Figure 20: Share of gross domestic property insurance premiums, by sales channel, 2013-17

Market Drivers

IPT stays at 12%

Figure 21: Changes to the standard rate of IPT, 2011-18

Majority of policies are sold as combined

Figure 22: Proportional distribution of home insurance sales, by product type, 2017

Combined policy costs fall

Figure 23: Average combined, buildings-only and contents-only insurance premiums, 2012-17

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com

Home Insurance - UK - December 2018

Report Price: £1995.00 | \$2693.85 | €2245.17

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Regulatory and Legislative Changes

FCA announces investigation into motor and home insurance

The industry is already making changes

Companies and Brands – What You Need to Know

Share of top five grows

Simplification of application and claims process

Adspend increases by 17%

Market Share

Share of top five grows

Figure 24: Top 20 domestic property underwriters – UK, by share of total market GWP – ABI members only, 2016 and 2017

Figure 25: Largest current account providers and their home insurance underwriters, 2018

Competitive Strategies

Simplification of application and claims process

Homelyfe

Figure 26: Homelyfe locker

Aviva

Using technology to add value

Buzzvault

Brolly

Figure 27: Brolly mobile app

Trōv

Availability of smart home insurance remains limited

Neos

Aviva

AXA

Amazon

Advertising and Marketing Activity

Adspend increases by 17%

Figure 28: Total above-the-line, online display and direct mail advertising expenditure on home insurance, 2014-18*

Gocompare.com is the biggest spender on home insurance advertising

Figure 29: Total above-the-line, online display and direct mail advertising expenditure on home insurance, by advertiser, 2014-18

Nearly half of all spend on TV

Figure 30: Total above-the-line, online display and direct mail advertising expenditure on home insurance, by media type, 2016-18

Nielsen Ad Intel coverage

The Consumer – What You Need to Know

Two thirds have home insurance

Half consult price comparison sites

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com

Home Insurance - UK - December 2018

Report Price: £1995.00 | \$2693.85 | €2245.17

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Trust is a key driver of PCW use
Accidental damage is the most popular add-on
Around one in three interested in smart security devices
Home insurers can add value in a number of ways

Insurance Product Ownership

Two thirds have home insurance
Figure 31: Insurance product ownership, October 2018
Significant difference in ownership between renters and homeowners
Figure 32: Insurance product ownership, October 2018

Source of Information

Half consult price comparison sites...
...whilst 23% go direct
Figure 33: Sources of home insurance information, October 2018
Recommendations are key for new customers
Figure 34: Sources of home insurance information, by age, October 2018

Trust in Different Information Sources

Trust is a key driver of PCW use
High level of trust in information from insurers
Figure 35: Trust in different sources of information, October 2018
Lettings agents have a role to play...but lack of trust is an issue
Figure 36: Trust in different sources of information – 'Yes', by housing situation, October 2018

Interest in Home Insurance Add-ons

Accidental damage is the most popular add-on
Figure 37: Interest in paying extra for home insurance add-ons, by policy ownership, October 2018
Interest falls for other forms of cover

Most Appealing Home Insurance Features

Low excess is a key feature
Figure 38: Top three appealing features when considering a home insurance policy, October 2018
Replacement goods can add tangible value to insurance
Time is precious
Tools and speed will appeal to new customers
Figure 39: Top three appealing features when considering a home insurance policy, by age, October 2018

Ownership and Interest in Smart Devices

Around one in three interested in smart security devices
Figure 40: Ownership and interest in smart devices for the home, October 2018
Interest is higher among young people
Figure 41: Ownership and interest in smart devices for the home – 'No, but interested in having', by age, October 2018

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com
CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094
Americas +1 (312) 943 5250 | China +86 (21) 6032 7300
APAC +61 (0) 2 8284 8100 |
EMAIL: reports@mintel.com

Home Insurance - UK - December 2018

Report Price: £1995.00 | \$2693.85 | €2245.17

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Half would share smart device data

Figure 42: Willingness to give an insurer access to the data collected by a smart device, October 2018

Attitudes towards Home Insurance

Vast majority are confident in their policy

Figure 43: Attitudes towards home insurance, October 2018

Opportunities for insurers to extend their brand

Open Banking

Online only

Home safety

Figure 44: Home insurance – CHAID – Tree output, October 2018

Loyalty undermined by the need to switch each year

Figure 45: Attitudes towards home insurance, by policy ownership, October 2018

Appendix – Data Sources, Abbreviations and Supporting Information

Abbreviations

Consumer research methodology

CHAID Methodology

Appendix – Market Size and Forecast

Home insurance value forecast

Figure 46: Best- and worst-case forecasts for gross written premiums – UK domestic property insurance, 2018-23

Forecast methodology

BUY THIS
REPORT NOW

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com