

Home Insurance - UK - November 2009

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What is this report about?

This report identifies and analyses the major issues that are currently affecting the home insurance market. In addition to highlighting the key demographic, economic, and regulatory developments opportunities for growth are also considered. The market size section details the growth in the buildings and contents segments of the market while the market share section highlights how a handful of large players control the market. The final sections present the findings of Mintel's exclusive consumer research, providing valuable insight into the attitudes and behaviour of UK consumers toward home insurance products.

What have we found out?

- Around 35 million people have home insurance, with combined buildings and contents cover the most common arrangement. Mintel's consumer research shows no real sign of consumers cutting cover because of the slowdown – insurance is undoubtedly seen as an essential purchase for most.
- When Mintel asked people about their claims history, as many said that they'd incurred an insurable loss within the last two years but decided not to claim (3.4 million) as said that they had actually made the claim. A few reminders that insurance is there for a reason, and that customers shouldn't be afraid to claim could do wonders for customer satisfaction.
- Many of the 4 million UK adults who say that they simply don't have anything worth insuring, are also the least likely to be able to bear the cost of replacing their possessions. Stripped-down cover designed to take the top spots on the price comparison sites may be viewed as a threat by many providers, but stripped-down cover designed to expand the market could be a way to reach currently disinterested consumers.
- If consumers are given a flexible package of home insurance benefits and options, and told to build their own policy, the resulting sense of ownership could do much to help build loyalty. When they've taken the trouble to design their own insurance policy, they'll be hesitant to give it up for the sake of saving a few pounds.
- Despite an increase in shopping around, considerably more people will pay more for quality cover (5 million) than those who think that low premiums are all that matter (3.8 million).
- The better-off the individual, the more likely they are to say that it's worth paying more for quality cover. This presents something of a challenge for insurers. The people who are most likely to say that they value premium cover are also the most likely to buy insurance online, and to obtain multiple quotes, both factors that tend to encourage price-driven switching.

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EMEA: +44 (0)20 7778 7151
Americas: +1 (312) 932 0600
APAC: +61 (0)2 8284 8100