

## Critical Illness Cover - UK - February 2016

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

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"Sales of individual critical illness policies are once again in decline, and overall product penetration is low. Given the ongoing upward pressure on premiums and the already high cost of cover to the individual, turning the market's fortunes around will not be an easy task."

– Sarah Hitchcock, Senior Analyst – Financial Services

### This report looks at the following areas:

- Getting the price right
- Helping people identify their own protection needs

Providers need to find new ways to promote the product and engage the target audience, as well as designing more straightforward and affordable solutions.

The UK market for critical illness insurance is not currently in the best of health. New sales of individual policies have fallen in each of the past three years – wiping out all of the growth achieved during the preceding three years. Product penetration has also declined, and is low relative to the level of consumer need. Mintel's report investigates the possible reasons for this and considers if, when and how the market might stage a recovery. It also considers whether the recent decline is being experienced by all providers, or whether certain insurers are managing to buck the trend and achieve growth.

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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  
Products covered in this report

### Executive Summary

The market

Declining sales impact on new business premiums  
Figure 1: Forecast of new individual critical illness premiums, at current prices – Fan chart, 2010-20

Providers improve critical illness cross-sale rates

Distribution trends: bancassurance channel continues to decline

First-time buyer numbers increase, but outlook for mortgage market is uninspiring

MMR's introduction has not led to higher protection sales in 2015

Key players

A heavily concentrated market  
Figure 2: Estimated market shares of the top five providers of new individual critical illness cover, 2013 and 2014

Providers explore ways of making the product more appealing

The consumer

Only 8% of adult internet users are covered  
Figure 3: Ownership of protection insurance, by total sample, parents and mortgage holders, December 2015

'It's too dear' say 40% of the non-insured  
Figure 4: Reasons for not having critical illness cover – top seven only, December 2015

Developing a critical illness could put a household under serious financial strain  
Figure 5: Ability to manage financially if unable to work due to serious illness, December 2015

A change in fortune is most likely to prompt people to consider the product  
Figure 6: Factors which might prompt consideration of the product – top seven only, December 2015

31% believe the onus is on individuals to ensure their financial security  
Figure 7: Agreement with statements about critical illness insurance and the need for financial protection, by those with cover and those without, December 2015

33% have experience of a critical illness – either directly or indirectly...  
Figure 8: Personal experience of suffering a serious or life-threatening illness, December 2015

...while 20% are worried about themselves or another family member becoming seriously ill in the future  
Figure 9: Concerns about suffering a serious or life-threatening illness, December 2015

What we think

### Issues and Insights

Getting the price right

The facts

The implications

Helping people identify their own protection needs

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The facts

The implications

## The Market – What You Need to Know

Volume sales down by 13% in 2015

Mortgage term customers more likely to take out critical illness cover

90% of critical illness sales in 2015 were generated by advisers

First-time buyer numbers up, but affordability pressures remain

MMR yet to exert a positive influence over sales of protection insurance

## Market Size and Forecast

Reduction in number of in-force policies

2015 witnesses further drop in new sales

Providers increase the cost of cover

Figure 10: Volume and value of new individual critical illness sales and average annual premium, 2010-15

Best-case scenario: steady premium growth over the next five years

Figure 11: Forecast of new individual critical illness premiums, at current prices – Fan chart, 2010-20

Volume sales: rapid slowdown in the rate of decline

Figure 12: Forecast of new individual critical illness policy sales – Fan chart, 2010-20

Significant pressures and challenges remain

Figure 13: Forecast of new individual critical illness premiums, at current and constant prices, 2010-20

Forecast methodology

## Market Segmentation

The vast majority of policies are sold as a rider benefit

Figure 14: New individual critical illness sales – rider benefit versus standalone policies, 2010-15

Mortgage term customers are now twice as likely to take out a critical illness rider as protection term customers

Figure 15: Critical illness (CI) rider benefits as a proportion of new individual term assurance business, 2010-15

## Channels to Market

Decline in critical illness rider sales coming via advice channels...

Figure 16: Volume sales of new term insurance policies with individual critical illness riders, by channel, 2013-15

...although intermediaries still account for 90% of sales

Figure 17: Proportional distribution of new individual term critical illness riders, by channel, 2013-15

Decline of the bancassurance channel

## Market Drivers

Home purchase loans down 1% in 2015

Figure 18: Volume of house purchase loans, by type of borrower, 2006-15

Changing tenure patterns

Figure 19: UK housing stock, by tenure, 1993-2013

Living longer means there's a greater chance of ill health in later years

Cancer is the top reason for claiming on a critical illness policy

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Total cost of critical illness claims grew 6% in 2014

Figure 20: Summary of critical illness and total permanent disability (TPD) claims paid and proportion of declined claims, 2013 and 2014

Fall in proportion of declined claims due to non-disclosure and definition of claim not being met

## Regulatory and Legislative Changes

Solvency II Directive comes into force

MMR has yet to make any discernible difference to protection sales

## Key Players – What You Need to Know

A heavily concentrated market

Insurers adopt diverging strategies

Paltry amount spent on above-the-line advertising

## Market Share

Larger players bucked the market trend in 2014

Figure 21: Volume sales and market shares of the top five providers of new individual critical illness cover, 2013 and 2014

Legal & General's market-leading position under threat

Four of the top five grew sales volumes and market share in 2014 – bucking the overall market trend

## Competitive Strategies

Shifting market dynamics

Increasing market consolidation

Aviva's acquisition of Friends Life means the combined group can challenge Legal & General's market-leading position

AIG acquires Ageas Protect and rebrands as AIG Life

Canada Life re-enters individual protection market

Distribution developments

Introducing the innovative new platform, UnderwriteMe

Scottish Widows re-enters adviser market with protection platform

LifeQuote launches protection quotes to tackle cash flow pressures

Product development

Providers seek to make the product more attractive by enhancing cover

Others seek to simplify propositions in order to provide cheaper cover

## Advertising and Marketing Activity

Critical illness insurers make limited use of above-the-line advertising

Figure 22: Total above-the-line, online display and direct mail advertising expenditure on life protection products, 2011-15

Reasons for the lack of adspend

Nielsen Media Research coverage

## The Consumer – What You Need to Know

Only 8% of adult internet users are covered

'It's too dear' say 40% of the non-insured

Developing a critical illness could put a household under serious financial strain

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A change in fortune is most likely to prompt people to consider the product  
Less than a third believe the onus is on them to ensure their own financial security  
33% have experience of a critical illness – either directly or indirectly

## Ownership of Protection Insurance

Only 8% of UK adults have critical illness cover  
Figure 23: Ownership of protection insurance, December 2015

Take-up increases significantly among parents and mortgage holders  
Figure 24: Ownership of protection insurance, by parents, mortgage holders and life insurance policyholders, December 2015

Broaden the product's appeal to non-mortgage holders

## Reasons for Not Having Cover

It's too expensive  
Figure 25: Reasons for not having critical illness cover, December 2015

There's no benefit to having it

A lack of trust remains a key barrier

Other reasons are less commonly expressed

Parents are less likely to say they can't see the benefit of having cover

Figure 26: Reasons for not having critical illness cover, by parents and mortgage holders, December 2015

## Potential Financial Impact of Ill Health

Figure 27: Ability to manage financially if unable to work due to serious illness, by all non-insured, parents and mortgage holders, December 2015

35-44-year-olds are at most risk

## Factors That Might Prompt Purchase

25% of the non-insured rule out ever taking out cover  
Figure 28: Factors that might prompt consideration of the product, December 2015

Improved affordability could increase consideration

Simplifying policies could aid consumer understanding

Promoting fixed premiums could also widen appeal

Lifestage events can provide the catalyst for buying cover

## Attitudes toward the Product

29% of the non-insured agree that individuals have a responsibility to protect their own future financial security...  
Figure 29: Agreement with statements about critical illness insurance and the need for financial protection, by those with cover and those without, December 2015  
...while 32% think it's better to save your money than pay for insurance you may never need

## Experience of Serious and Life-threatening Illnesses

17% of UK adults have either suffered a serious illness themselves or has a partner who has...  
Figure 30: Personal experience of or concerns about suffering a serious or life-threatening illness, by those with cover and those without, December 2015  
...which could make them potentially ineligible for critical illness insurance

## Appendix – Data Sources, Abbreviations and Supporting Information

Product definitions

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Intermediary market definitions

Abbreviations

Consumer research methodology

## Appendix – Market Size and Forecast

Total market value forecast – Best- and worst-case scenarios

Figure 31: Forecast of new individual critical illness premiums – Best- and worst-case scenarios, at current prices, 2015-20

Total market volume forecast – Best- and worst-case scenarios

Figure 32: Forecast of new individual critical illness policy sales – Best- and worst-case scenarios, 2015-20

Forecast methodology

## Appendix – Other Relevant Regulatory and Legislative Changes

Other recent regulatory and legislative developments impacting on the protection industry

Government initiatives to help homebuyers

Stamp duty reform

Help to Buy

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