

## Home Insurance - UK - December 2019

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

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“In terms of premium income, the domestic home insurance market has stagnated over the past decade. Technological-driven innovation is needed to achieve real growth potential and to enable insurers to better respond to changing consumer needs in the digital era, as well as shifting demographics and tenure patterns.”

– **Sarah Hitchcock, Senior Financial Services Analyst**

This report looks at the following areas:

- **Extend cover to address people’s fear of cybercrime**
- **Sustainable pricing could reduce churn and encourage loyalty**

The market for domestic property insurance in the UK is large and stable, with around two thirds of adults owning a policy. It is also fairly consolidated, with the top five insurers underwriting around three fifths of premium income in 2018. Despite this concentration in supply, there is fierce competition between distributors, particularly in the online space. This, along with the influence exerted by price comparison sites and changing buyer behaviour, has served to suppress real premium growth in recent years. At the same time, cost pressures remain high. In 2018, the market barely made an underwriting profit, while a loss could be on the cards for 2019, due to an increase in weather-related claims in the final quarter.

In this Report, Mintel considers what insurers need to do to drive growth going forward, whether through new product innovation or by adopting more sustainable pricing models. The market and company analysis is supplemented by the findings of an online consumer survey. The latter provides insight into product ownership and renewal behaviour, and assesses people’s interest in cybercrime cover. Additionally, it identifies opportunities for new business, by revealing people’s plans for the coming year, such as moving home, undertaking a major renovation and acquiring high-value items.

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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

Market fails to achieve real growth in premium income...

Figure 1: Gross written domestic property insurance premiums – Fan chart, 2014-24

...and barely managed to stay in the black in 2018

Escape of water and the weather are the two costliest perils

34% of home insurance premiums generated by brokers

The complex issue of the 'loyalty penalty'

Companies and brands

The market is fairly consolidated on the supply-side

Aviva is the largest domestic property insurer

Allianz is set to challenge the current market leaders

Insurers are investing in digital and smart technologies to create new opportunities

The consumer

Two thirds of UK adults have a home insurance policy

Figure 2: Ownership of contents, buildings and home emergency cover, by age group, September 2019

Almost a fifth have been with their current insurer for at least six years

Figure 3: Length of time been a customer of current home insurance provider, September 2019

Premium rises drive switching behaviour

Figure 4: Stayed with provider or switched at last renewal, by what happened to premium at last renewal, September 2019

Customers with a contents-only policy are more likely to auto-renew

Figure 5: Intentions at next policy renewal, September 2019

A fifth of adults plan to move home

Figure 6: Plans for the coming year that could change home insurance needs, September 2019

Significant interest in cybercrime cover as home insurance add-on

Figure 7: Interest in cybercrime cover as an optional extra to home insurance, September 2019

What we think

### Issues and Insights

Extend cover to address people's fear of cybercrime

The facts

The implications

Sustainable pricing could reduce churn and encourage loyalty

The facts

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The implications

## The Market – What You Need to Know

- Market fails to achieve real growth in premium income...
- ...but has been largely profitable over the past 10 years
- Escape of water and the weather are the two costliest perils
- Web aggregators contribute to sales made via all the main channels
- Solving the 'loyalty penalty' may not be straightforward

## Market Size and Forecast

- The market has seen a lack of real premium growth over the past decade
  - Figure 8: Domestic property gross and net written premium, 2009-19
- Standard model forecast: market will continue to contract in real terms
  - Figure 9: Gross written domestic property insurance premiums – Fan chart, 2014-24
  - Figure 10: Forecast of gross written domestic property insurance premiums, 2014-24
- Forecast methodology

## Claims Incurred and Underwriting Result

- Volume of claims has fallen over the past decade...
  - Figure 11: Number of domestic property claims notified, 2009-18
- ...although the average claim value has grown faster than inflation
  - Figure 12: Average value of a domestic property claim notified, 2009-18
- Burst pipes and leaks account for the largest share of the claims bill...
  - ...although accidental damage has a higher claims frequency
    - Figure 13: Proportional distribution of gross domestic property claims incurred, by type of peril, 2013-18
- Acquisition costs up by 12% in 2018
- Domestic household market barely managed to make a profit in 2018
  - Figure 14: Domestic property outgoings and underwriting result, 2013-18
- Underwriting ratio varies year on year, due to the unpredictable nature of the underlying risks
  - Figure 15: Domestic property underwriting ratio, 2007-18

## Channels to Market

- Direct insurers increases share, but brokers still account for the largest proportion of premiums
  - Figure 16: Proportional distribution of gross domestic property premiums, by sales channel, 2013-18
- Price comparisons are hugely influential
  - Figure 17: Consumer behaviours when arranging home insurance policy with a new provider, September 2019

## Market Drivers

- Two thirds of policyholders have a combined policy
  - Figure 18: Proportional distribution of home insurance sales, by product type, 2018
- Regulator considers remedies to tackle 'loyalty penalty'
- Some insurers have already adopted new pricing policies
- Lower claims volumes have helped to keep average premiums stable

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Figure 19: Average domestic property insurance premiums, at current prices, by policy type, 2014-19

Climate change set to increase the number of homes at risk of flooding

## Companies and Brands – What You Need to Know

- A consolidated market
- Movement in the top-five rankings
- Merger and acquisition activity
- Digital and smart technologies continue to fuel innovation

## Market Share

Small players increased their share of the market in 2018

Figure 20: Top 20 domestic property underwriters – UK, by share of total market GWP, 2018

Market-leader, Aviva holds on to top spot

A drop in DLG's home premium income sees the group fall to fourth place...

...while RSA Group moves up to second off the back of a strong performance

LBG increases net household premiums by just over a quarter

Admiral grows household customer base by nearly a third

Allianz set to become second-largest general insurer as a result of two key acquisitions

Co-op agrees sale of underwriting business to Markerstudy

## Competitive Strategies and Innovation

Aviva separates the management of life and general insurance business...

... and invests in smart technology

RSA Group implements new digital service platform

DLG looks to improve the customer experience and offer a fast response

LBG seeks to become the "Go to Provider" for home insurance

## Launch Activity

AvivaPlus – an "industry-first" subscription service

Saga introduces pricing promise

HSBC's launches 'Select and Cover' monthly subscription deal

Azur launches a new home insurance product for wealthy homeowners

Insurance disruptor, Buzzvault enters the fray with new personalised policy

Other InsureTech firms to watch out for

## Advertising and Marketing Activity

Home insurance industry spends around £100 million a year on above-the-line advertising

Figure 21: Total above-the-line, online display and direct mail advertising expenditure on home insurance, home emergency and related products, by sub-category, 2014/15-18/19

Advertisers cut back on direct mail

Figure 22: Above-the-line, online display and direct mail advertising expenditure on home insurance and related products, by media type, 2016/17-18/19

Figure 23: Adspend split by media type, 2018/19

Direct Line and Aviva more than double their adspend

Figure 24: Top 15 above-the-line advertisers of home insurance and related products, 2016/17-18/19

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Nielsen Ad Intel coverage

## The Consumer – What You Need to Know

- 65% of UK adults have a home insurance policy
- Around a fifth have been with their current provider for six years or more
- Premium rises drive switching
- 10% of contents policyholders plan to start paying monthly at next renewal
- A fifth of adults plan to move within the next 12 months
- Two thirds of adults are worried about cybercrime

## Product Ownership

- 43% of UK adults have both buildings and contents insurance  
Figure 25: Ownership of home and other general insurance policies, September 2019
- Take-up of home insurance increases sharply with age  
Figure 26: Ownership of contents, buildings and home emergency cover, by age group, September 2019
- 25% of mortgage holders do not have buildings cover  
Figure 27: Ownership of home insurance and home emergency cover, by housing tenure, September 2019
- Nearly a quarter of outright owners have home emergency cover
- 90% with both types of household cover have a combined policy  
Figure 28: Proportion of policyholders with both contents and buildings insurance who have a combined policy, September 2019

## Length of Tenure with Current Provider

- A fifth of policyholders have been with their insurer for six or more years  
Figure 29: Length of time been a customer of current home insurance provider, September 2019
- Measures to tackle the “loyalty penalty” could ultimately increase loyalty

## Renewal Behaviour

- Half of all combined household policyholders saw their premium increase at renewal  
Figure 30: What happened to premium at last renewal, September 2019
- 45% of combined policyholders chose to stay with their insurer after shopping around
- Behaviour differs according to whether people have a combined or contents-only policy  
Figure 31: Stayed with provider or switched at last renewal, September 2019
- Increasing premiums at renewal encourages more customers to switch  
Figure 32: Stayed with provider or switched at last renewal, by what happened to premium at last renewal, September 2019
- A significant minority of customers ignore prompts to shop around at renewal  
Figure 33: Stayed with provider or switched at last renewal – combined policyholders only, September 2016 and September 2019
- Two thirds expect to shop around at their next renewal  
Figure 34: Intentions at next policy renewal, September 2019
- 6% of customers plan to start paying monthly

## Forthcoming Plans Relevant to Home Insurance

- One in five adults expects to move over the coming year...  
Figure 35: Plans for the coming year that could change home insurance needs, September 2019

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A quarter of potential movers plan to live in a flood-risk area

Starting a family and acquiring more valuable possessions prompts the need to review cover

12% of policyholders plan to improve home security

## Assessing Demand for Cybercrime Cover

Two thirds of UK adults are concerned about experiencing cybercrime

Figure 36: Level of concern about cybercrime, September 2019

44% of policyholders are interested in optional cyber cover add-on

Figure 37: Interest in cybercrime cover as an optional extra to home insurance, September 2019

## Appendix – Data Sources and Abbreviations

Abbreviations

Key sources

Consumer research methodology

## Appendix – Market Size and Forecast

Total market sales forecast – best- and worst-case scenarios

Figure 38: Forecast of home insurance premiums – best- and worst-case scenarios, 2019-24

Forecast methodology

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