

# Home Insurance - UK - 2022

Report Price: £2195 | \$2995 | €2600

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## This report looks at the following areas:

- The impact of COVID-19 on the home insurance market.
- The size of the UK home insurance market and a forecast of gross written premiums for the next five years.
- How the introduction of new rules on pricing will impact market competition.
- Home insurance claims activity and its impact on underwriting results.
- Competitive strategies, innovation, and product development activity.
- Customer interest in non-financial switching incentives.
- Consumer attitudes towards flexible policy design and sharing smart device data to lower home insurance premiums and speed up claims handling.

Intense price competition among home insurance providers has made many customers highly price sensitive. 27% of all UK home insurance policyholders switched providers at their last renewal, rising to 40% among those who experienced a premium price increase.

While demand for home insurance has not been severely impacted by COVID-19, the economic circumstances caused by the pandemic are having a knock-on effect. The sharp rise in inflation occurring during the past year of the pandemic is pushing up the cost of servicing claims.

The rising incidence of major weather events causing major storm and flood damage is making it even more challenging for insurers to generate reliable year-on-year profits. Raising premiums would help to smooth out volatility, however, intense competition among providers and price sensitive consumers means providers must be careful about how they go about this.

The integration of smart device technology into home insurance policies will enable insurers reduce claims costs, which in turn will allow them to keep premiums competitive. There is an opportunity to drive up adoption of these



“The UK home insurance market is at an inflection point. After years of stagnation, the value of gross written premiums is trending upwards. The significant rise in inflation over the last year is increasing the cost of claims, and in the process average premiums.”

– **George Zaborowski, Senior Analyst – Financial Services, January 2022**

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high-tech proactive home insurance policies by targeting younger generations, who are by far the most open to sharing data from smart devices with insurers.



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