

Income Protection - UK - 2023

Report Price: £2195 | \$2995 | €2600

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This report looks at the following areas:

- Market size and forecast for the individual income protection market
- Key market developments, including the impact of the cost of living crisis and Consumer Duty
- Share of the largest insurers in the market and their competitive strategies
- Ownership and consideration of income protection insurance
- Barriers to policy ownership
- Additional income protection policy features and consumers' willingness to pay extra
- Attitudes towards protection insurance

Interest in income protection remains relatively high, as 31% of working adults without income protection would consider taking out cover in the future, including 7% within the next six months. The high level of interest can be attributed to the spotlight that the COVID-19 pandemic has placed on health and financial wellbeing.

The cost of living crisis has had an ongoing impact on household finances, reducing people's ability to plan for the future and ensure their financial resilience. While the income protection market will remain relatively resilient to these pressures, it will be more difficult to translate interest in the product into sales. 28% of workers or those who have a partner in work and do not have income protection say it is because they are concerned about the cost.

Consumer Duty is a key focus for the income protection market in 2023. The new rules come into force from July 2023 and impact insurers and distributors within the individual income protection market. On the whole, Consumer Duty will help income protection customers achieve better outcomes, vital for this complex market where product understanding among consumers is generally low.



"The income protection market has generally benefitted from the pandemic-induced focus on health and financial resilience. Product development should continue to focus on health and wellbeing incentives as consumers show increasing interest in hybrid health-protection policies."

– **Natasha Hayes, Senior Financial Services Analyst**

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Reaching renters has been a long-term challenge for the market; however, there is strong interest from this demographic for more affordable cover. 70% of working renters would be interested in purchasing income protection that provides a lower level of cover at a lower price. Information and distribution channels are key for bringing this group to market, and offering free advice or impartial guidance can be instrumental in raising awareness of the product.

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