

Over-50s Guaranteed Acceptance Life Insurance: Inc Impact of COVID-19 - UK - December 2020

Report Price: £2195 | \$2995 | €2600

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This report looks at the following areas:

- The impact of COVID-19 on the over-50s guaranteed acceptance life insurance market.
- The size of the over-50s guaranteed acceptance life insurance market and a five-year forecast for new business.
- Innovation and competitive strategies in the market.
- Penetration of and level of interest in over-50s guaranteed acceptance life insurance and prepaid funeral plans among UK consumers.
- Main reasons for taking out a policy, the most important features desired and the most trusted sources of information for those taking out a new policy.

The COVID-19 pandemic has drastically altered people's lives and in the process caused many to reassess where they stand on a number of important issues. Mintel research reveals that one in four adults aged 50-64 say that COVID-19 has made them think more about life insurance options, with a fifth of adults within this age group saying they would consider an over-50s life insurance policy.

New business prospects for the over-50s guaranteed acceptance life insurance market have been hampered by the pandemic as economic uncertainty has driven many of those in the target market to primarily focus on near-term priorities. This led to a sharp fall in new sales of more than 20% in Q2 2020, compared to the previous quarter. On the plus side, business has stabilised in the second half of the year and the market looks set to regain much of this lost ground by the end of 2020.

Although the pandemic has made people more likely to think about life insurance, when it comes to over-50s life insurance there is a risk that unfavourable press about the product will cause them to turn to alternative arrangements. Consumer websites, which often do not provide glowing reviews



"COVID-19 has ended two years of healthy growth in the over-50s life insurance market; however, the market should recover quickly. A sharp drop-off in new business subsided in the second half of 2020, and Mintel research suggests that the pandemic is motivating people to think more about their life insurance options."

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

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of over-50s life insurance plans, are by far the most trusted source of information about the product.

On the other hand, providers have scope to address concerns through product development to increase relevance and trust in the product. Industry commentators have often cited the need for greater flexibility, which Mintel research shows to be a key area of importance for those who would consider taking out a policy. Brands that can design products with the level of flexibility consumers desire will be best positioned to win new business from the key 50-64 year old target demographic.

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