



Pure Protection Market Study

Consumer Research Report

January 2026



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Executive Summary

Objectives

The purpose of the research is to support the Financial Conduct Authority's (FCA's) market study into the distribution of pure protection products to retail customers by understanding consumers' perceptions and experiences of purchasing, holding and claiming on pure protection products.

Methodology

The research was conducted using a mix of quantitative and qualitative research:

- The quantitative research comprised 14,226 online interviews with a nationally representative sample of adults aged 18 plus with online access. The online interviews were supplemented with 100 in person interviews with Over 50s Guaranteed Acceptance Plan holders to ensure nothing of importance was overlooked by conducting the research online. The data from the in-person interviews was combined with the online data and was weighted to the nationally representative profile with a total weighted sample of 14,326.
- The qualitative research comprised 53 depth interviews to understand in detail the experiences of those who had recently (last six months) purchased, switched, lapsed or claimed on a policy and those who had held their policy for a significant amount of time. Forty-nine of the interviews were online video depth interviews and four were in person. Three of the in-person depths were with Over 50s Guaranteed Acceptance Plan holders and one with a Term Insurance holder

Key Findings

The Landscape

Just over four in ten adults (**42%**) aged over 18 years with online access hold a pure protection policy. This includes those bought privately and those held as an employee benefit. In fact, most pure protection products are bought privately – amongst all pure protection policy holders, **59%** hold only products bought privately, **15%** hold products only as part of an employee benefits package and **26%** hold a mix of policies bought privately and held as an employee benefit. The exceptions are Income Protection, and to a lesser extent Critical Illness, which are more evenly split between those bought privately and those held as an employee benefit.

A higher proportion of holders of pure protection than non-holders are male (**53% vs. 44%**), working (**76% vs. 43%**), under 65 years (**84% vs. 70%**) and with dependent children (**52% vs. 23%**). Holders also have higher levels of personal income (mean of c. **£50k** vs. c. **£25k**) and savings (mean of c. **£73k** vs. **£54k**) and a higher proportion of holders than non-holders have a mortgage (**36% vs. 11%**). A higher proportion of holders than non-holders consider themselves knowledgeable in financial matters (**63%** consider themselves moderately or very knowledgeable compared with **48%** of non-holders) and agree they are savvy and confident

consumers (**62%** vs. **50%**). A higher proportion of pure protection non-holders than holders have three of the four drivers of vulnerability – low financial resilience (**26%** vs. **22%**), low capability (**18%** vs. **11%**) and poor health (**16%** vs. **12%**).

Motivations for purchasing pure protection policies

The overarching reason for purchasing pure protection amongst those who bought privately is to fulfil their responsibilities and ensure the financial security of their dependents. This was given as a reason by **38%** of holders of Whole of Life, **37%** of holders of Over 50s Guaranteed Acceptance Plans, **35%** of holders of Income Protection, **32%** of Critical Illness holders and **30%** of Term Insurance holders. Responses indicate that holding pure protection generates peace of mind. Objectives linked to different types of policies are to cover their mortgage or other loans (Term Insurance **45%**), ensure a replacement income (Critical Illness **43%** and Income Protection **51%**) and meet funeral or end of life costs (Over 50s Guaranteed Acceptance Plans **55%**).

The triggers for policy holders to purchase when they did were often specific life events such as buying a home or moving, the birth of a child, a new relationship or relationship breakdown, a medical diagnosis or bereavement.

Critical Illness holders are more likely than other policy holders to buy their policy because of a recommendation. This could be from a professional adviser or from family / friends. Almost a quarter (**23%**) of those with Critical Illness had bought their policy as a result of recommendation compared with **19%** for Term Insurance, **17%** for whole of life, **16%** for Income Protection and **12%** for Over 50s Guaranteed Acceptance Plans.

Given the motivations for purchasing policies, most policy holders, particularly those with life policies, regard their policies as essential. Of those with Whole of Life and Over 50s Guaranteed Acceptance Plans, **75%** view their policy as essential, **72%** Term Insurance holders view their policy as essential and **66%** of each of those with Income Protection and Critical Illness view their policy as essential.

Meeting Needs

Far more holders of pure protection (**80%**) believe their protection needs are being fully or mostly met compared with just over a third (**34%**) of non-holders. The more recently policy holders reviewed their needs, the more likely they are to agree their needs are met. Seventy-one per cent (**71%**) of all respondents who last reviewed their needs in the previous three months believe their needs are mostly or fully met compared with **58%** of all respondents who last reviewed their needs more than four years ago.

Of non-holders, four in ten (**41%**) have thought about their protection needs a lot / a little in the last five years – **59%** have not thought about their protection needs. Amongst those who do not hold protection products but have thought about their protection needs a lot / a little in the last five years, the main reasons for not holding pure protection products are that products are too expensive (**19%**), other financial priorities (**18%**) and a perceived lack of need (**17%**). A minority also cite not knowing where to start (**9%**), a lack of confidence (**5%**), and a mistrust of insurers (**4%**).

The Sales Process

Although policies were sometimes purchased during busy periods and times of stress, policy holders generally engaged with the sales process, and most claimed to have done both research prior to obtaining a policy (**92%**) and shopped around for their policy (**86%**). The sources used for the research were mainly online. The barriers to shopping around were an assumption that policies did not differ, doubts about being able to compare policies and a lack of time. Most (**69%**) found the experience of shopping around easy. Those who did not, cited difficulties in comparing policies and prices.

Just over a quarter (**27%**) of those who bought policies in the last 12 months, bought more than one policy at the same time, most often Term Insurance with Critical Illness and Critical Illness with Income Protection.

Except for Over 50s Guaranteed Acceptance plan holders, most policy holders have also sought professional support as part of the sales process – **86%** of those who bought Income Protection used professional support, **83%** of those who bought Critical Illness, **81%** of those who bought Whole of Life and **80%** of those who bought Term Insurance compared with **37%** of those who bought Over 50s Guaranteed Acceptance Plans. Professional support includes support from pension and insurance providers as well as Independent Financial Advisers (IFAs), mortgage and insurance brokers and banks / building societies. The motivations for seeking support are to get help making the right decision (**34%**), to better understand their options (**33%**), to obtain the best deal (**33%**) and for reassurance that they are doing the right thing (**33%**).

Policy holders are generally satisfied with the support they receive, with those using IFAs rating the support provided most highly (**78%** rate their support from IFAs as good / excellent compared with **73%** for mortgage brokers, **68%** for insurance brokers, **63%** for pension or insurance providers and **62%** for banks and building societies).

Although policy holders are sometimes paying more for their policy than they expected (**31%** for critical illness, **29%** each for Term Insurance and Income Protection, **26%** for Whole of Life and **11%** for Over 50s Guaranteed Acceptance Plans), the majority do not believe they could have secured a cheaper policy.

Amongst recent purchasers of pure protection policies, the biggest factors in choice of policy and provider were their level of trust in the brand and value for money. Both were equally important with **41%** mentioning the brand and **38%** that it represented the best price / deal.

In fact, depending on the type of policy, a significant minority of policy holders had to compromise on their choice of policy because of affordability or health issues. Twenty-eight percent of Term Insurance holders, a quarter (**25%**) each of Whole of Life and Critical Illness, **24%** of Income Protection and **18%** of Over 50s Guaranteed Acceptance Plan holders had to make compromises.

At the time of purchasing their policy, three in ten (**29%**) had a health condition. Of those with a health condition at the time of purchasing, just over half (**52%**) had to make compromises.

The compromises made took the form of a lower payout than they wanted, a more basic policy and the removal of some policy features.

Most policy holders are positive about their choice of policy. Just over two-thirds (**68%**) of Over 50s Guaranteed Acceptance Plan holders are positive about their product compared with **86%** for Income Protection, **85%** for Whole of Life, **83%** for Critical Illness and **77%** for Term Insurance. Those with Over 50s Guaranteed Acceptance Plans are the least positive and the most likely to question the value for money provided by their policy. Just under three-quarters (**73%**) of Over 50s Guaranteed Acceptance Plan holders consider their policy to be very good or fairly good value for money compared with **85%** for Income Protection, **84%** for Whole of Life, **82%** for Critical Illness and **81%** for Term Insurance.

Post-sales

Although policy holders engaged well with the sales process, their engagement with their policy and awareness of its details dropped off post-sale. Policy holders presented a mixed picture in terms of reviewing their needs. While three in ten (**31%**) had reviewed their needs in the last year, a third (**34%**) had not reviewed their needs in the last four years. Policy holders' understanding of their cover declined unless they regularly reviewed their needs or had a need to claim.

Whilst most respondents in the qualitative sample understand the main covers provided by their policy, e.g., death, paying off their mortgage or a replacement income, policy holders are not always aware of the details of their cover. In particular, they are not aware of deferment periods (the length of time between making a claim and when the policy pays out), exclusions, specific conditions covered by a Critical Illness policy and, in some cases, policy holders associate their policy with cover which it does not in fact provide.

There was, however, no evidence that those who bought more than one policy at the same time thought they understood their policy less well than those who bought a single policy.

Switching and Lapsing

Overall, almost one in ten (**9%**) of all adults had cancelled or reduced cover on a pure protection policy. Amongst those who bought a pure protection policy in the last 12 months, one in five (**20%**) have recently cancelled or reduced cover. Some may have cancelled one policy and bought another. The main reasons for cancellation were affordability and changing needs – financial situation changed (**18%**), found a cheaper policy elsewhere (**18%**), the policy cancelled was no longer needed (**11%**), couldn't afford the premium (**10%**) and the policy was linked to something else that had now ended (**9%**). Not understanding the cancelled policy's benefits is mentioned by **7%**. Those who had switched policies because they had found a better or cheaper policy elsewhere believed themselves to be more knowledgeable (**29%** have a high level of knowledge vs. **19%** of all policy holders) and confident (**73%** agree vs. **62%** of all policy holders).

Amongst qualitative respondents, the changing needs that prompt policy holders to switch policies are frequently mortgage / house move related. Other life events which can lead to a reassessment of protection needs are proximity to retirement, age milestones, the birth of a child, bereavement and illness, changes in employment and premiums increasing on existing policies.

There were also examples in the qualitative research of switching triggered by an intermediary. This could be a scheduled review or an ad hoc check-in which was welcomed. However, out of fifteen interviews (across all products), there were three reports of pressure or unsolicited contact from intermediaries pushing them to switch, without obvious benefit.

In the qualitative research, lapsing alone (i.e. without the purchase of a new policy) was always found to be driven by the policy holder and is typically in response to the original need for cover no longer being relevant. For example, obtaining protection as part of an employee benefit package made policies redundant.

Claiming

Respondents' experiences of claiming were included in the qualitative element of the research programme only.

Respondents consider claiming is often a very difficult time for policy holders because of the events that have triggered the need to claim. They are dealing with a range of emotions and sometimes financial worries. In addition, respondents are often unsure of the details of their cover and unclear about the process.

Although experiences of the claims process vary, most claimant respondents were satisfied with the eventual outcome. A positive claims experience is thought to depend on compassionate, understanding and attentive call-handlers setting expectations at the outset, particularly around timescales and the documentation / evidence required. A speedy process, payout and timely updates were also important along with a clear explanation of the settlement decision.

Introduction

Background

Pure protection products are designed to help an individual and / or their dependents with existing financial commitments or lifestyle adaptations if the policy holder dies or becomes incapacitated, injured or infirm and unable to work. They include Term Insurance (Term), Critical Illness Cover (CIC), Income Protection (IP) and Whole of Life Insurance (WoL) including Over 50s Guaranteed Acceptance Plans (GOF).

According to the FCA's Financial Lives 2024 survey (FLS), 16.2 million people (30% of the UK adult population) held a pure protection policy in May 2024¹. That same year, according to ABI data, insurers paid out more than £5.3 billion in claims on pure protection products.²

The main distribution channel for pure protection policies, apart from Over 50s Guaranteed Acceptance Plans, is intermediaries. Over 50s Guaranteed Acceptance Plans are usually purchased directly from the provider.

As set out in the FCA's Pure Protection Market Study ([PPMS MS24/1](#)) Terms of Reference, there were indications that the pure protection market may not be functioning well and may not be working effectively in the interests of consumers:

- The design of commission arrangements may not always support the delivery of fair value: there have been examples of intermediaries encouraging customers to switch unnecessarily to earn commission
- Some pure protection policies may not provide fair value to customers. For example, some Over 50s Guaranteed Acceptance Plans have low payout values when compared to the overall premium paid and alternative products

To support its understanding of the market, the FCA commissioned the Big Window (tBW) to undertake a comprehensive study amongst consumers.

Research Objectives

The objectives of the research were to determine:

- The motivations and triggers to purchase pure protection policies
- Consumers' understanding of their pure protection policies and the key policy features
- How engaged consumers are with their product during and after the sales process
- The extent to which consumers shop around for their pure protection policies, any barriers to shopping around and the ease of meaningfully comparing products

¹ <https://www.fca.org.uk/financial-lives/financial-lives-2024>

² <https://www.abi.org.uk/news/news-articles/2025/7/record-8bn-paid-out-in-vital-protection-claims-during-2024/>

- Consumers' perceptions of the sales process and whether they felt any pressure to purchase, the role of the intermediary and the quality of service given
- The factors that influence consumers' purchasing decisions
- The factors that drive consumers to reassess their cover, switch or lapse
- The behaviour, motivations and experiences of consumers who have purchased, switched or lapsed their pure protection policy in the last 12 months
- The role of the intermediary in the decision to lapse and / or switch
- Customers' (or their families') experience and perceptions of the claims process

Research Methodology

Qualitative and quantitative research were used in combination to meet the research objectives. In terms of the sequencing of the research, qualitative research was conducted prior to quantitative research in order that the findings could input into the design of the questionnaire. Policy holders' experience of claiming was only included in the qualitative component.

Quantitative

An online quantitative survey was conducted with a sample of 14,226 adults aged 18 years with online access. This identified robust samples of those who purchased their products privately and those who have bought one or more pure protection products privately in the last 12 months (referred to as recent purchasers).

In addition to the online survey, one hundred in person interviews were conducted with holders of Over 50s Guaranteed Acceptance Plans. This was because, although online penetration has reached very high levels (97.8%³), with the UK having one of the largest online populations worldwide, the online approach still underrepresents groups who are digitally excluded, such as older consumers. Including a representation of all Over 50s Guaranteed Acceptance Plan holders not just those with online access ensured nothing of importance was overlooked by conducting the quantitative research online. These one hundred interviews are combined with the online survey sample for analysis and weighted to a nationally representative profile (resulting in a total sample of 14,326 and a weighted sample of 14,338).

³ Statista: <https://www.statista.com/statistics/1124328/internet-penetration-uk>

Product holding was determined by showing respondents a definition of each of the products of relevance and asking whether they held the product or whether they were unsure. Only those who answered that they held the policy were included as policy holders. Products were shown together so that respondents could compare and select the policy/ies they held. The products and descriptions asked about were:

1. Life insurance: this might be for a limited period (often sold alongside a mortgage) or for the whole of your life
2. Critical illness cover: cover where you will receive a lump sum cash payment, if you are diagnosed with certain illnesses
3. Income protection insurance: cover which pays a monthly benefit, if you are incapacitated and unable to work due to illness or accident
4. Over-50s insurance plan, also known as guaranteed acceptance life insurance provides a guaranteed tax-free lump sum payment when you die. This can be useful if you wish to put it towards funeral costs or leave it to someone. Only available to people aged 50 and over Do not include pre-paid funeral plans, which allow you to arrange and pay for your funeral in advance
5. Pre-paid funeral plan: this allows you to arrange and pay for your funeral in advance, generally for a fixed cost. You may have paid for this in full when you took out the plan, or it is possible to pay in instalments Do not include Over-50's plans / guaranteed acceptance plans

Those with Life Insurance were asked whether the policy was Term, Whole of Life or Death in Service and, for those with Whole of Life, whether there was an investment element.

Those with Life Insurance (Term and Whole of Life without an investment element), Critical Illness, Income Protection and Over 50s Guaranteed Acceptance Plans went through to the main questionnaire. This established whether their policy was bought privately or was held as part of an employee benefits package. Those who bought privately were further split into those who had bought a policy in the last 12 months and those who bought their policy longer ago. The former were asked in detail about their experiences.

The quantitative data in the report is analysed by the following four groupings:

Descriptor	Definition	Sample size
Total sample	Sample of adults aged 18 plus with online access plus 100 in person interviews with Over 50s Guaranteed Acceptance Plan holders	14,326
Pure protection holders	Those who hold one or more pure protection products. These include policies purchased privately or held as an employee benefit	6,104
Non-holders of pure protection	Those who hold no pure protection products	8,222
Recent purchasers	Those who have bought one or more pure protection products privately in the last 12 months. If recent purchasers had bought more than one product at the same time, they answered about all	640

Importantly:

When discussing the penetration of pure protection products amongst the total sample, the term 'Life' includes Term Insurance, Whole of Life, Over 50s Guaranteed Acceptance Plans and Death in Service, both those bought privately and held as an employee benefit.

When discussing the findings relating to policies held privately, 'Life' refers to Term Insurance and Whole of Life only.

The quantitative interviews were conducted in September and October 2025.

Qualitative

Fifty-three qualitative interviews were conducted to understand in-depth the experiences of those who have recently (i.e., in the last six months) purchased one or more policies privately, lapsed, switched or made a claim, plus those who have kept their policies for a significant amount of time without reviewing.

In the depth interviews, we included a mix of intermediated and direct sales.

Forty-nine of the interviews were online video interviews, with four conducted in person. Three of these were with Over 50s Guaranteed Acceptance policy holders who may not be able or willing to conduct the interview remotely, and one was with a holder of Term Insurance.

All respondents for the qualitative research were free-found using a recruitment script agreed with the FCA.

In this report, as well as narrating the findings of the qualitative research, we use direct quotations as examples of real-life experiences.

The sample structure for the qualitative stage is set out in the table below:

	Over 50s	Critical Illness	Income Protection	Term	Whole of Life	Total
Recent purchasers:						
Via intermediary	0	2	2	3	1	8
Direct from insurers	2	1	1	1	1	6
Recent lapsers	0	1	1	3	1	6
Recently been re brokered	3	3	3	3	3	15
Recent claimants (policy holders and family of policy holder)	2	2	2	0	2	8
Held pure protection product for sig. period	2	2	2	2	2	10
Total	9	11	11	12	10	53

Of the 53 interviews, 9 were with holders of Over 50s Guaranteed Acceptance Plans, and 11 each were with holders of Critical Illness and Income Protection, 12 with Term Insurance holders and 10 with holders of Whole of Life insurance.

The qualitative sample included the following five groups of interest in order to understand in depth the experiences of policy holders and claimants:

Recent purchasers: those who had privately set up a new protection policy in the last 6 months. For all policy types, except over 50s, we had a representation of those who had bought direct and those who had bought via an intermediary.

Switchers: those who had privately set up a new pure protection policy in the last 6 months and switched the policy from another provider. They had all switched via an intermediary .

Lapsers: those who does do not currently hold a pure protection policy which they set up themselves privately but have held a policy in the past which they set up themselves and which they cancelled or for which they stopped paying the premiums

Longer term policy holders: those who have held a pure protection which they set up themselves privately for longer than six years

Claimant: policy holder who, in the last 12 months, has claimed on a pure protection policy they set up themselves privately or an individual who has, in the last 12 months, claimed as a beneficiary of a policy set up privately by the policy holder

The qualitative research was conducted in two stages:

Stage 1: comprised 24 depth interviews – 14 with recent purchasers and 10 with longer term policy holders.

Stage 2: comprised 29 interviews. Of the 29 interviews, 15 were with switchers, 8 were with claimants (both those who claimed on their own policy and those who were beneficiaries) and 6 were with lapsers.

The qualitative interviews were conducted from May to August 2025.

Reporting

This report includes the findings from both the quantitative and qualitative research. The numerical data from the quantitative research is supplemented with qualitative insights.

The quantitative data includes both online and in person respondents.

The quantitative data relating to the total sample (including both online respondents and those interviewed in person), all pure protection holders (both those with products bought privately and those with products held as an employee benefit) and all pure protection holders only includes reference to differences which are statistically significant at the 95% level. The data on recent purchases, however, is based on a smaller sample of 641 interviews and includes reference to findings which are not statistically significant but contribute to a wider theme or pattern of responses.

It has not been possible in the quantitative research to distinguish between advised and non-advised sales. This is because respondents could not name their intermediary with sufficient accuracy to enable this to be done with confidence.

The qualitative findings are inherently interpretive focused on understanding meanings, experiences and context rather than numbers. This interpretative process involves identifying themes, patterns and insights from participants' comments and combining these into a narrative.

Main Findings

1. Product holdings and policy review

This section discusses the incidence of pure protection policy holding amongst the total sample and compares the profile of holders and non-holders. It also describes behaviour in terms of reviewing protection needs and perceptions relating to the extent to which protection needs are met.

1.1. Product holder profiles

Forty-two percent of adults aged 18 years plus with online access hold a pure protection product and 58% do not.

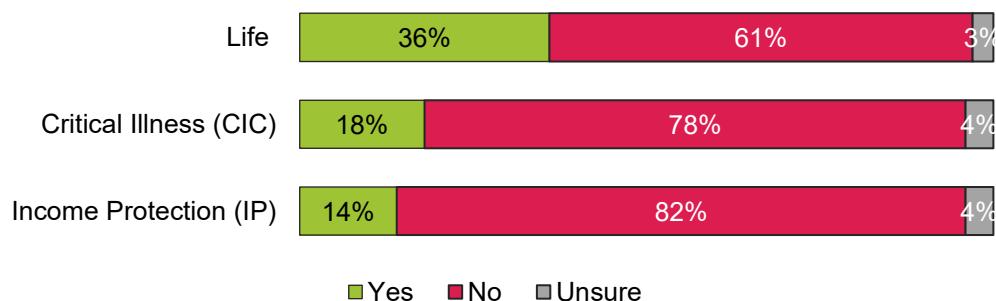
This includes policies that are either purchased privately or held as an employee benefit. Of these, Life Insurance is the product most likely to be held, with 36% of respondents holding this type of pure protection. Across the total sample, holding of different types of life insurance is as follows:

- 16% with Whole of Life
- 13% with Term Insurance
- 10% with Death in Service
- 3% with an Over 50s Guaranteed Acceptance Plan

NB. Percentages exceed the total of 36% as respondents may hold multiple products

Life Insurance is followed by Critical Illness at 18% and Income Protection at 14%.

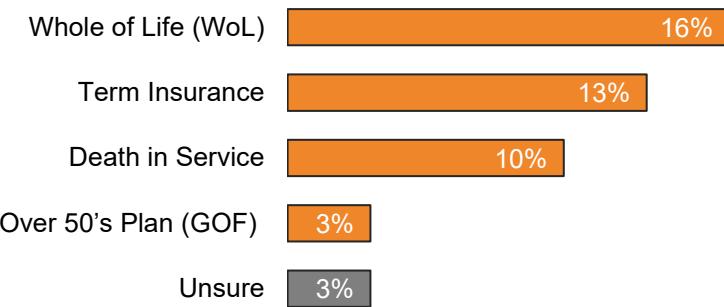
Fig 1. Insurance products respondents currently hold:



S8. Which of these insurance policies do you currently hold in your own name or in joint names?
Base: All respondents (14,326)

Overall, just over a quarter (27%) hold either Term Insurance or Whole of Life (or both). Those with Whole of Life report an almost even split between products with an investment element (8% of all respondents) and those without (7% of all respondents). One per cent of all respondents are unsure whether their Whole of Life policy has an investment element or not.

Fig 2. Types of Life Insurance products respondents currently hold:



S9. Thinking about the life insurance you hold in your own name or in joint names, which of the following types of life insurance do you hold? Base: All respondents (14,326)

Amongst holders of pure protection products which can be bought privately or held as an employee benefit (Term, Whole of Life, Critical Illness and Income Protection), the majority are arranged privately, rather than held as an employee benefit. Amongst holders, six in ten (59%) had arranged all policies privately, 15% held all policies as an employee benefit and 26% held a mix of policies arranged privately and held as an employee benefit.

Life policies (Term, Whole of Life) are most likely to be privately held, whilst Income Protection policies are more evenly distributed with 45% of holders having products purchased privately, 32% having products provided as an employee benefit and 18% holding a mix.

Single pure protection policies cover only one individual and pay out a lump sum if that person dies, is diagnosed with a critical illness or unable to work through illness or injury.

Joint pure protection policies cover two individuals under a single policy but typically pay out only once. Respondents are twice as likely to hold single rather than a joint policy, although 83% of Over 50s Guaranteed Acceptance Plans are single policies.

Fig 3. Private policy ownership (rebased on all respondents):

% of privately owned policies	Total	Single Policy	Joint Policy
Term Insurance	11%	7%	4%
Whole of Life (WoL)	14%	10%	4%
Critical Illness (CIC)	13%	9%	4%
Income Protection (IP)	9%	6%	3%
Over 50s Plan (GOF)	6%	5%	1%

S16. Thinking about the policy / policies you hold below, is it a single / individual policy or a joint policy you hold with someone else? Base: All respondents (14,326)

The research estimates that 47% of those who bought Term Insurance in the last 12 months have an ACI component:

Accelerated Critical Illness (ACI) is a policy which combines life cover and critical illness in one policy. It pays out a portion or all of the death benefit early as a lump sum, if the policy holder is diagnosed with a specified serious illness before death. ACI was the second most popular pure protection policy purchased in 2023 behind only Term Insurance.⁴

Over a third (36%) of those who bought Term Insurance in the last 12 months bought Critical Illness cover in the same 3-month window. Of these, almost nine in ten (86%) believe their Term Insurance policy will pay a lump sum if they are diagnosed with a serious illness during the term. This suggests that these respondents (31% of all Term Insurance holds) took Accelerated Critical Illness **rather than two separate policies**

Amongst those who bought Term Insurance in the last 12 months but did not buy Critical Illness cover in the same timeframe, half (51%) believe their Term Insurance policy will pay a lump sum if they are diagnosed with a serious illness within the term of the policy. This represents 16% of all who bought Term Insurance in the last 12 months.

Taking these two groups together, the proportion of ‘probable’ Accelerated Critical Illness holders is 47% amongst those taking Term Insurance in the last 12-months.

A higher proportion of men, individuals with higher incomes, and those with lower levels of vulnerability hold pure protection products (compared to non-holders).

In terms of the profile of holders and non-holders of pure protection products, holders are more likely than non-holders to be male (53% of holders vs. 44% of non-holders), working (76% of holders vs. 43% of non-holders), under 65 years (84% of holders vs. 70% of non-holders) and with dependent children (52% holders vs. 23% of non-holders). Holders are also more likely to be married (65% vs. 43%), have higher levels of income (an average of c£50k versus £24k) and savings (a mean of c.£73k vs. £54k), and a mortgage (36% vs. 11%).

Non-holders are more likely than holders to have drivers of vulnerability (52% vs. 49%).⁵ Twenty-six per cent of non-holders have low financial resilience compared with 22% of holders, 18% have low capability compared with 11% of holders and 16% have poor health compared with 12% of holders. Both groups are equally likely to have experienced a negative life event (29% and 27% respectively).

⁴ <https://www.fca.org.uk/publication/market-studies/ms24-1-3.pdf>

⁵ There are four drivers of vulnerability with specific characteristics that sit underneath each. Please see Table 1, Paragraph 2.9 here for further info: [FG21/1: Guidance for firms on the fair treatment of vulnerable customers](https://www.fca.org.uk/publication/market-studies/ms24-1-3.pdf)). Vulnerability was determined by a question set based on but not directly aligned with FLS algorithm (see Technical Appendix)

Fig 4. Policy holder and non-holder profiles:

		Pure Protection holders	No Pure Protection products
Gender	Male	53%	44%
	Female	47%	56%
Age	18-34	29%	25%
	35-49	30%	20%
	50-64	25%	25%
	65-74	9%	15%
	75+	6%	14%
Working Status	Employed / SE	76%	43%
	Retired	14%	29%
	Not working	10%	26%
Married / Living as Married	Yes	73%	51%
	No	27%	48%
Dependents (Under 18)	Yes	52%	23%
	No	48%	77%
Personal Income	Under £20,000	20%	42%
	£20k to £39,999	33%	32%
	£40k to £59,999	17%	9%
	£60k or more	23%	5%
Savings	None	7%	14%
	£1 to £9,999	36%	36%
	£10,000 or more	46%	35%
Mortgage	Yes	36%	11%
	No	64%	89%
Non-Mortgage Debt	None	31%	49%
	£1 to £9,999	49%	39%
	£10,000 or more	13%	4%
Vulnerability	Low resilience	22%	26%
	Low capability	11%	18%
	Poor health	12%	16%
	Negative life event	29%	27%

Base: All pure protection holders (6104), non-holders (8222): S2, S3/S4, S6, Q68/Q69, Q70, Q80/Q81/Q82, S7, Q6

Recent purchasers of protection products are younger

The profile of recent purchasers closely resembles the profile of pure protection holders overall in terms of gender, marital status and having dependent children. However, recent purchasers are notably younger, with almost half (48%) aged 18 to 34 compared to 30% of pure protection holders. They also have higher incomes (an average of c.£57k versus c.£50k).

Characteristics of vulnerability are more prevalent among recent purchasers of pure protection products, particularly negative life events (36% for those who purchased pure protection in the last 12-months vs. 29% of all pure protection holders).

Life events, including negative ones such as experiencing a bereavement, can act as emotional triggers to purchase. Moreover, despite higher incomes, some of the positive life events e.g. moving house or a new baby, will result in increased financial responsibilities.

Fig 5. Profile comparison of recent protection policy purchasers with the wider sample:

		Pure Protection holders	Bought last 12 months
Gender	Male	53%	55%
	Female	47%	45%
Age	18-34	29%	48%
	35-49	30%	29%
	50-64	25%	17%
	65-74	9%	4%
	75+	6%	1%
Working Status	Employed / SE	76%	86%
	Retired	14%	5%
	Not working	10%	9%
Married / Living as Married	Yes	73%	74%
	No	27%	26%
Dependents (Under 18)	Yes	52%	59%
	No	48%	41%
Personal Income	Under £20,000	20%	15%
	£20k to £39,999	33%	31%
	£40k to £59,999	17%	17%
	£60k or more	23%	31%
Savings	None	7%	7%
	£1 to £9,999	36%	39%
	£10,000 or more	46%	46%
Mortgage	Yes	36%	37%
	No	64%	63%
Non-Mortgage Debt	None	31%	23%
	£1 to £9,999	49%	54%
	£10,000 or more	13%	15%
Vulnerability	Low resilience	22%	29%
	Low capability	11%	12%

Poor health	12%	17%
Negative life event	29%	36%

*Base: All pure protection holders (6104), all who bought a pure protection product in the last 12 months (611)
S2, S3/S4, S6, Q68/Q69, Q70, Q80/Q81/Q82, S7, Q6*

1.2. Purchase behaviour

Four percent of adults have purchased a pure protection product privately in the last 12 months.

Of these, six out of ten (61%) purchased one policy and four in ten (39%) bought more than one pure protection policy in that timeframe. Amongst those who purchased one or more pure protection products in the last twelve months, almost a fifth (19%) bought Critical Illness with another product, 16% bought Income Protection alongside another product and 10% bought Term Insurance alongside another product.

Of those who bought more than one pure protection policy in the last twelve months, almost seven in ten (69%) bought one or more policies at the same time. This translates to 27% of recent purchasers buying one or more protection policies simultaneously.

The combinations of products most frequently purchased at the same time are Term Insurance with Critical Illness (8%) and Critical Illness with Income Protection (7%).

1.3. Non-holders of Pure Protection Products

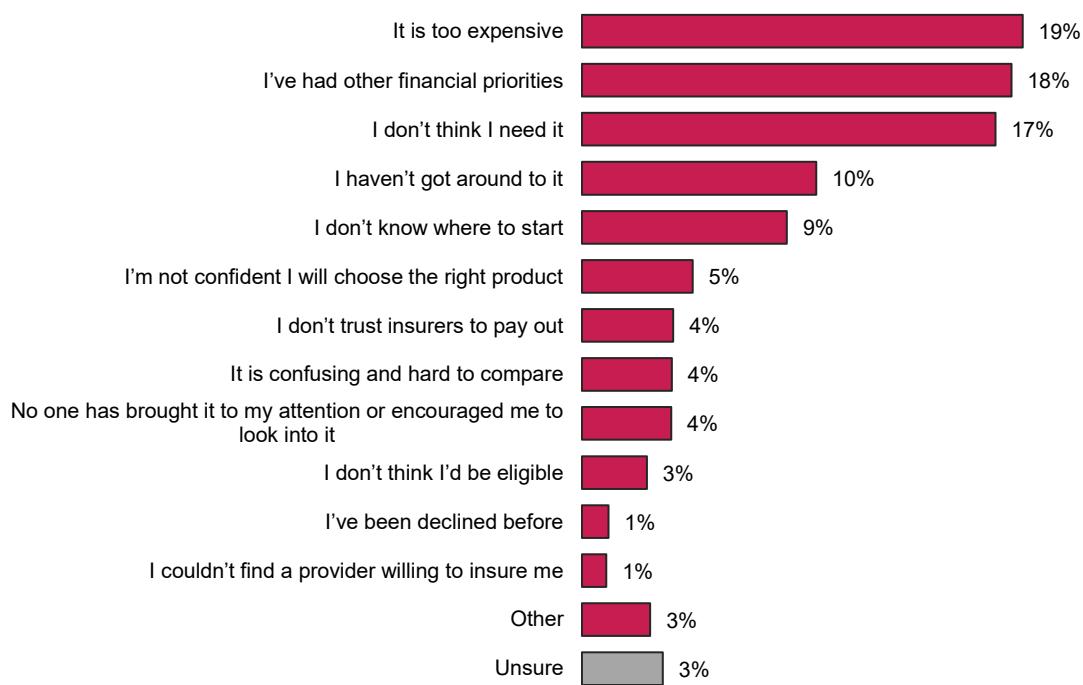
Of the 58% of adults who do not hold a pure protection product, four in ten (41%) have considered their protection needs either a lot or a little in the last five years (59% have not considered them at all).

Amongst non-holders who have considered their needs, the most frequently given reasons for not holding cover are that it is too expensive (19%), they have other, more pressing financial priorities (18%) and a lack of need (17%).

However, low knowledge and confidence also play a part. Nine per cent of non-holders who have considered their needs don't know where to start to find a policy, 5% are not confident that they would choose the right product and 4% think it would be confusing and hard to compare policies.

There is also some ambivalence about insurers, with 4% citing a lack of trust in insurers as a reason for not holding a pure protection policy.

Fig 6. Reasons for not owning pure protection:



S23. Which of the following is the main reason that best explains why you don't have any cover?

Base: All who don't hold any pure protection products and have thought about their protection needs a lot or a little (3,378)

1.4. Reviewing and overall satisfaction

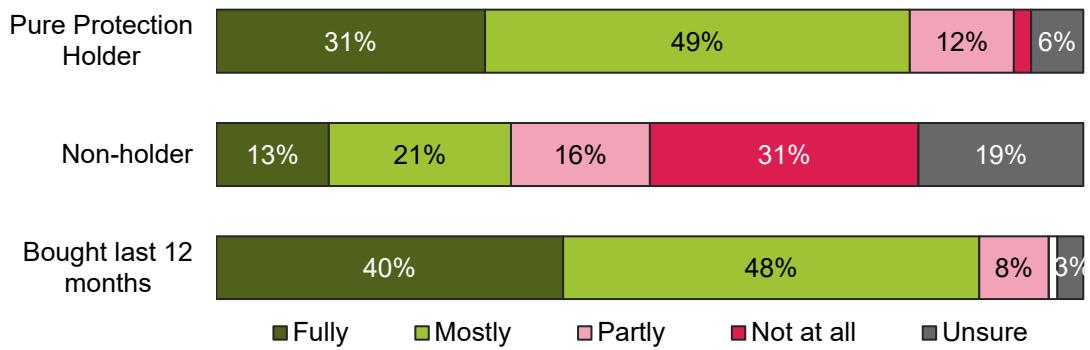
Eight out of ten pure protection policy holders who bought their policy privately feel their protection needs are being met, either wholly (31%) or mostly (49%).

For those who purchased a pure protection policy in the last 12 months, this figure increases to 88%, suggesting that recent engagement provides reassurance that needs are met.

Fourteen per cent of pure protection holders think their protection needs are only partly being met, or not at all met. When asked why they had not changed their policy to better meet their needs, the reasons were mixed. Nineteen percent are happy with their policy even though they believe it isn't perfect. Other reasons include a reluctance to pay more for a policy (18%) and more pressing priorities elsewhere (17%). **Significant numbers of people are put off switching policies by a lack of knowledge and confidence** with 14% feeling overwhelmed at the prospect, 13% unsure what to do and 6% not knowing where to find an alternative.

The proportion of pure protection holders who feel their protection needs are being met (80%) contrasts sharply with the 34% of non-holders who think their protection needs are being met.

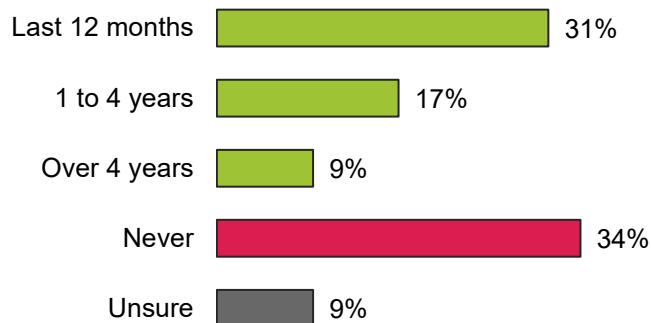
Fig 7. Whether protection needs met:



Q64. Overall, how well are all your current protection needs being met?

Base: All private pure protection holders (6,104), non-holders (8,222), all who bought a pure protection product in the last 12-months (640)

Amongst the total sample, three in ten (31%) had reviewed their protection needs in the last 12 months. However, slightly more (34%) had never reviewed their needs. **Reviewing needs correlated strongly with having a policy or policies in place**, with 85% of pure protection holders having reviewed their protection needs at some point compared with just over half of non-holders.



% never reviewed	
Pure Protection Holder	15%
Bought Last 12 Months	5%
Non-Pure Protection Holder	47%

% Last review by privately held pure protection type	Within 12 months	1 to 4 Years	Over 4 years	Never	Unsure
Term Insurance	41%	28%	16%	11%	4%
Whole of Life (WoL)	44%	25%	12%	13%	6%
Over 50's Plan (GOF)	33%	24%	12%	23%	8%
Critical Illness (CIC)	44%	28%	13%	9%	5%
Income Protection (IP)	49%	27%	11%	7%	5%
Non-Pure Protection Holder	25%	11%	7%	47%	10%

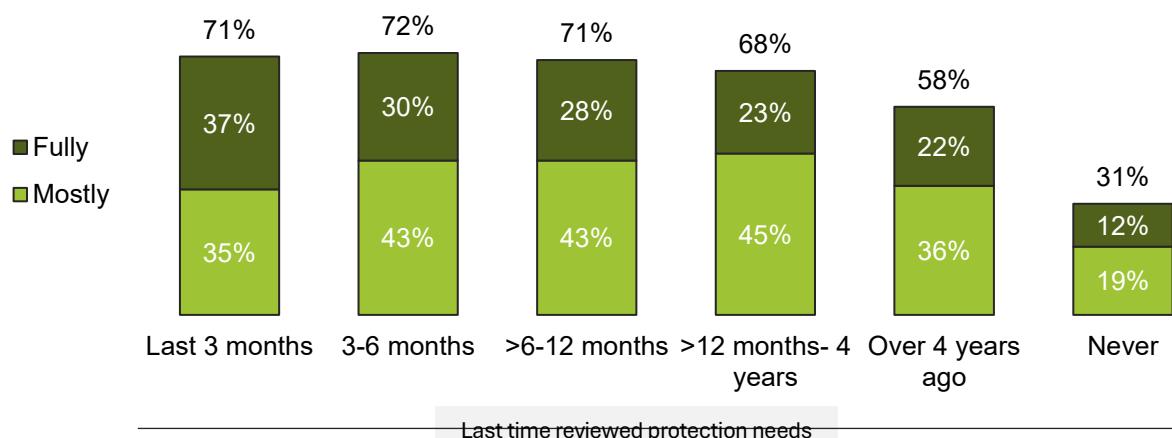
S19. When did you last review your overall protection needs? For example, reviewing how you or your loved ones would manage financially if you became seriously ill, were unable to work, or passed away. Base: All respondents (14,326)

Of those who hold protection policies, those with Over 50s Guaranteed Acceptance Plans are less likely to have reviewed their needs than other policy holders, with 31% never having done so or unsure whether they had. This is in comparison to those with Term Insurance (15%), Whole of Life (19%), Critical Illness Cover (14%) and Income Protection (12%).

Understandably, **respondents are more satisfied their protection needs are being met when they have reviewed them recently.**

Seventy percent of those who have reviewed their needs in the past 12 months, feel their needs are mostly or fully met, compared to 68% who reviewed their needs 12 months to four years ago, 58% who reviewed their needs four years ago and 31% who had never reviewed their needs.

Fig 9. Satisfaction that needs are met:



Q64. Overall, how well are all your current protection needs being met?

Base: All respondents: Reviewed in last 3 months (1,574), 3-6 months (1,247), >6-12 months (1,784), >12 months-4 years (2,414), Over 4 years ago (1,304), Never (4,748)

1.4.1. Those who had held their policy a significant amount of time

The FCA were interested in those who had held their policy/ies a significant amount of time (defined as between 12 months and four years) to understand the propensity to review, the triggers to review, the sources used and the outcome of reviews.

Thirty per cent of all pure protection holders who had held their policy between 12 months and four years had reviewed their protection needs.

These policy holders were most likely to review as part of conducting a general review of their finances (41%) and a decision to review protection needs (26%). Life events also play a part (14%). Some were triggered to review by external events including reading or seeing something (13%) and a reminder from their provider (12%). One in twelve (8%) were prompted by an adviser / broker.

Just over 7 in 10 (73%) had used information sources to help them in their review.

The main sources were online (Money Saving Expert, online searches, PCWs and websites) and friends / family / colleagues (24%). Holders of Over 50s Guaranteed Acceptance Plans were less likely to have used information sources than holders of other policy types – 65% had used vs. 86% of Income Protection, 82% of Critical Illness, 79% of Whole of Life and 77% of Term Insurance holders.

In addition to information sources, just over half (54%) had used professional support, most commonly in the form of an IFA (21%), pension or insurance provider (13%) and a bank / building society (12%). Holders of Over 50s Guaranteed Acceptance Plans were less likely to have used professional support than holders of other types of policy – 47% used professional support vs. 82% of Income Protection, 78% of Critical Illness, 72% of Whole of Life and 71% of Terms Insurance holders.

Fig 10. Information sources used (not purchased in last 12 months but reviewed needs in last 4 years):

Product Holders							
%	Non- Protection Holder	Any Protection Holder	Term	WoL	GOF	IP	CIC
Online searches, Reviews or Social Media	19%	23%	25%	24%	12%	30%	28%
Price Comparison Websites	18%	21%	22%	23%	13%	24%	24%
Friends or family / Colleagues	23%	26%	25%	27%	21%	29%	28%
Pension or Insurance company website	10%	25%	28%	27%	19%	31%	29%
Money Saving Expert	28%	24%	25%	25%	24%	26%	26%
Government websites (MAPS etc.)	15%	16%	16%	17%	12%	21%	19%
TV, Radio or Money Podcasts	5%	8%	11%	9%	5%	12%	10%
None of the above	32%	23%	23%	21%	35%	14%	18%

Q59. And which of the following sources, if any, helped you at the time of your last review?

Base: All who have not purchased pure protection in last 12 months but reviewed protection needs in last 4 years (6,267), Term (1,044), WoL (1,295), GOF (407), CIC (1,488), IP (1,249)

Fig 11. Sources of professional support (not purchased in last 12 months but reviewed needs):

		Term	WoL	GOF	IP	CIC
Financial adviser, IFA or wealth manager	 21%	28%	31%	14%	33%	31%
Pension or insurance provider	 13%	22%	25%	15%	27%	25%
A bank, building society or credit union	 12%	15%	17%	7%	22%	18%
Insurance broker	 9%	18%	18%	8%	22%	20%
Mortgage broker	 7%	16%	11%	4%	16%	16%
Accountant, stockbroker or other professional	 7%	10%	11%	5%	15%	13%
Unsure	 4%	2%	2%	2%	2%	3%
None of these	 46%	29%	28%	53%	18%	22%

Q60. And which, if any, of the following sources of professional support helped you at the time of your last review?

Base: All who have not purchased pure protection in last 12 months but reviewed protection needs in last 4 years (6,267), Term (1,044), WoL (1,295), GOF (407), CIC (1,488), IP (1,249)

As a result of the review, almost two-thirds (63%) decided to keep everything the same.

Income Protection and Critical Illness holders were slightly more likely to take action following their review than holders of other types of policy holders. Those who did act, updated their cover - 17% updated the beneficiaries or how the policy was set up, 12% changed the amount of cover and 11% added a new policy. Minorities switched policy or provider (8%) or cancelled or reduced cover (5%).

2. Triggers and events that prompt obtaining cover

This section examines the triggers and life events that prompt the decision to purchase pure protection policies and policy holders' motivations in terms of what they want to protect.

2.1. Triggers

Respondents who had purchased their products privately were asked about the triggers and life events that prompted them to purchase protection. Regardless of policy, one of the main triggers for purchasing pure protection insurance was respondents thinking about the future and their responsibilities to dependents. For those who purchased Term Insurance, the other major trigger was buying a new home or taking out a new mortgage (31%). Buying a home was also an important trigger for those buying Critical Illness Cover (21%) and those buying Income Protection policies (21%). However, it was more important to those who purchased Term Insurance than those who purchased other types of pure protection.

Recommendation from a financial adviser, mortgage broker, or insurance broker was an important trigger for holders of Term Insurance, Whole of Life Insurance, Critical Illness Cover and Income Protection. Recommendation was less important for Over 50s Guaranteed Acceptance Plan holders. However, reaching a milestone birthday, experiencing a bereavement and seeing or reading something about these policies were significant triggers for these policy holders.

Fig 12. Purchase triggers:

	Term	WoL	GOF	CI	IP
Thinking about future / responsibilities	30%	38%	37%	32%	35%
Buying a home / new mortgage	31%	15%	3%	21%	21%
Reaching an age milestone	12%	15%	30%	14%	13%
Recommended by financial adviser	16%	19%	7%	17%	24%
Recommended by mortgage adviser / broker	17%	11%	3%	15%	16%
Saw or read something about it	9%	11%	14%	12%	15%
Reviewing finances / admin	12%	12%	11%	10%	15%
Health scare / diagnosis	10%	11%	9%	16%	13%
Bereavement	8%	13%	18%	9%	9%
Recommended by insurance broker / provider	11%	12%	4%	14%	15%
Having / expecting a child	14%	15%	1%	13%	11%
Marriage / new relationship	11%	13%	4%	12%	11%
Job change / self-employed	5%	6%	2%	7%	13%
Divorce / separation	5%	4%	3%	4%	5%

Q13. Which of the following situations or life events played a role in your decision to take out [PRODUCT]?

Base: All who purchased each product: Term (1613), WoL (2039), Over 50's (859), CIC (1942), IP (1351)

Amongst those buying Over 50s Guaranteed Acceptance Plans, just over four in ten (41%) had not considered any other options. The alternative options most likely to be considered were a pre-paid funeral plan, (24%) followed by a standard life policy (18%). Thirteen per cent considered saving or investing money instead. Those buying in the last 12 months were more likely to have considered other options than those buying longer ago (76% vs. 50%).

Amongst those who had considered other options, the main reasons for choosing an Over 50s Guaranteed Acceptance Plan were it seemed right for their age (35%), the fixed monthly payments and payouts (35%), from a trusted brand (30%), no health checks (28%), affordability (25%) and easiest and quickest (23%). A special offer or incentive when signing up was mentioned by 15%. The responses of those buying in the last 12 months were very similar to the responses of those buying longer ago except that those buying in the last 12 months were less likely to mention fixed monthly payments and payouts as a reason than those buying longer ago (22% vs. 37%).

2.2. Needs

For all policy types, in terms of what respondents wanted to protect, a key need was to safeguard the financial security of family and dependents. For holders of Term Insurance, protecting their mortgage was also very important (45%). Those buying Critical Illness or Income Protection were motivated by the need to secure a regular income if they are unable to work due to injury or illness. For Over 50s Guaranteed Acceptance Plan holders, funeral and end-of-life costs were motivating, along with looking after family and dependents' financial security.

Other needs reflect how the payout might be used. For example, 11% each of holders of Term Insurance and Whole of Life Insurance stated that the payout may be used to clear debts and

5% of Term Insurance and 7% of Whole of Life stated it may be used to finance education. However, some of the needs selected are clearly inconsistent with the policy type and may indicate a degree of confusion e.g., 19% of those with Term Insurance and 22% of those with Whole of Life Insurance mentioned the need for a regular income if they are unable to work. Amongst those with 'probable' ACI, 25% mention a regular income.

Fig 13. Policy holders' objectives when taking out cover:

	Term	WoL	GOF	CI	IP
Family or dependants' financial security	46%	53%	38%	39%	38%
Mortgage or other loans	45%	22%	9%	31%	34%
Long-term care costs for myself or a loved one	20%	25%	13%	32%	28%
Regular income, if couldn't work due to illness or injury	19%	22%	9%	43%	51%
Future funeral or end-of-life costs	18%	32%	55%	16%	13%
Outstanding debts	11%	11%	6%	11%	17%
School or university fees	5%	7%	1%	6%	10%
Unsure	3%	6%	5%	6%	6%

Q11. When you took out [PRODUCT], what were you mainly looking to protect or cover?

Base: All who purchased each product: Term (1613), WoL (2039), Over 50's (859), CIC (1942), IP (1351)

For those who have bought their products in the last 12 months, it is possible to analyse objectives by those who bought two or more policies at the same time and those who bought their policy in isolation.

Objectives are similar between the two groups. There are, however, some differences.

Recent purchasers of Term Insurance with one or more other products are more likely than those buying their product in isolation to mention a regular income if unable to work (33% vs. 27%).

Those buying Whole of Life with one or more other products are more likely to mention mortgage or other loans (32% vs. 12%) and regular income if unable to work (41% vs. 28%) than those buying in isolation.

Those buying Critical Illness with one or more other products are more likely to mention mortgage or other loans than those buying in isolation (57% vs. 16%).

Those buying Income Protection with one or more other products are more likely than those buying in isolation to mention a regular income if unable to work (58% vs. 46%) and my mortgage or other loans (37% vs. 20%)

2.3. Life events that prompt purchase of protection

In the qualitative research, respondents who had bought a policy in the last 12 months were asked about the life events which had prompted them to obtain pure protection. In over half of cases, life events did act as triggers to obtaining pure protection. The specific life events that played a part were buying a home / getting a new mortgage, health scares (their own or a

relative), reaching a milestone birthday, birth of a child, marriage and new relationships, changes in employment and relationship breakdown.

"I didn't have much gap in my income versus my expenditure. That was why I took out the life insurance because and feeling particularly in my situation as a divorced parent with no support financially from my ex-husband, that if something had happened to me, particularly while I still had a big mortgage, I wanted to protect my children"

(Term Insurance and Critical Illness, Lapsed, Intermediary)

As a result of the role played by life events, consumers can be buying protection at a time of heightened emotions, where other pressures are at play. In some cases, this cognitive load is reported to reduce the likelihood of full engagement in the details and process.

"I just wanted to get the core products in there, so we had some sort of cover, but because it was just so stressful at the time, we had to finish the whole house. We had to arrange the carpets to be fitted. We had to arrange the flooring to be fitted..."

(Life, Switch, Intermediary)

The significant life events vary by policy type. For example, employment transitions are a key trigger for Income Protection.

Other policies are often linked to a mortgage event (particularly Term Insurance and Critical Illness), and life purchases are sometimes triggered by direct exposure to illness / death, relationship breakdown and uncertainty.

Sometimes prompts to purchase a policy are external and less emotive, including responding to advice, advertising and the experiences of friends and family. These prompts serve to move consumers from latent intent to action and include reviews with their adviser, media coverage and the advice and experience of friends and colleagues.

"All of a sudden it felt Instagram, Facebook, and every other ad was being pushed, in the over fifties departments. So that, I would say more through repetition of advertising. It did sew a bit of a seed and certainly made me think about it."

(Over 50s, Recent, Direct)

"A school friend of mine had done exactly the same and put me in touch with this guy who persuaded me to take out this policy. He was in a similar position to me in terms of age and family and what have you. We were just discussing it over a beer, and I thought that may be worthwhile investigating."

(IP, Recent, Intermediary)

3. Knowledge and understanding of cover and key product features

This section examines how well policy holders perceive they understand their pure protection policies and their awareness of the cover provided. It also examines the impact of reviewing needs on policy understanding.

3.1. Extent of financial understanding

Holders of pure protection policies are more likely to rate themselves as knowledgeable about financial matters than non-holders.

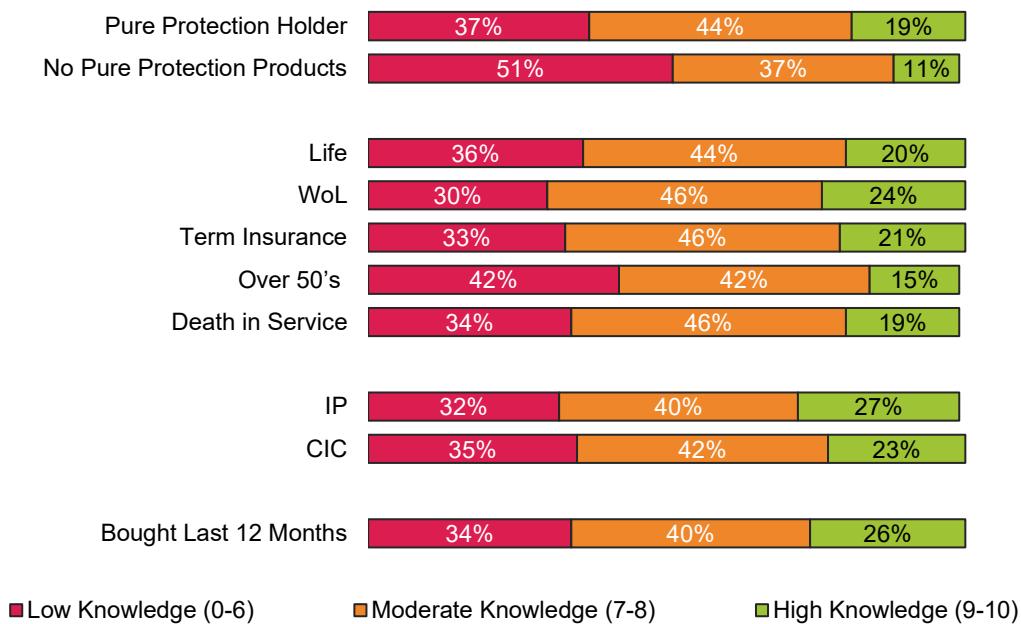
Sixty-three percent of policy holders rate their knowledge of financial matters as high / moderate compared with 48% of non-holders.

Among policy holders, those with Whole of Life Insurance and Income Protection have the most confidence in their knowledge, while Over 50s Guaranteed Acceptance Plan holders have the least - 57% of Over 50s cover holders rated their knowledge as high / moderate, compared with 63% overall.

Pure protection policy holders are also more likely than non-holders to agree that they were confident and savvy consumers – 62% of holders compared with 50% of non-holders. Again, Over 50s Guaranteed Acceptance Plan holders have the least confidence in their ability, with Whole of Life and Income Protection policy holders having the most (56% of Over 50s Guaranteed Acceptance Plan holders believe themselves to be confident and savvy consumers, in comparison to 68% for both Whole of Life and Income Protection holders).

There was, however, no difference between holders and non-holders of pure protection in terms of their agreement with the statement '*I find the information literature around life and protection insurance difficult to understand.*' In all groups, the proportion of respondents agreeing with this statement outweighed those disagreeing. For example, amongst pure protection holders, 45% agreed and 33% disagreed whilst amongst non-holders, 40% agreed and 27% disagreed.

Fig 14. Extent of financial knowledge:

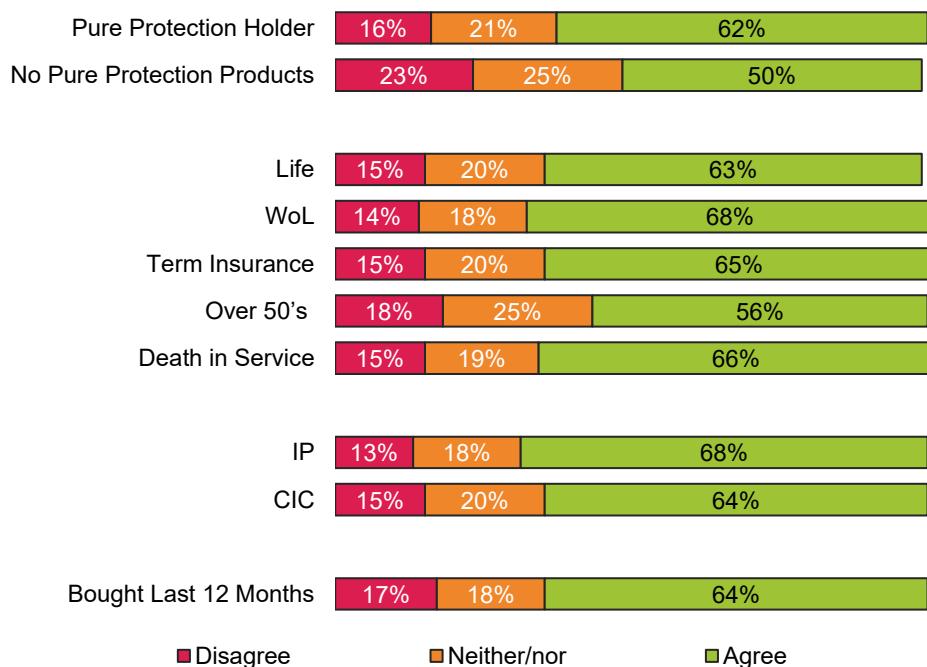


Q7. How knowledgeable would you say you are about financial matters?

(0-10 scale, 0 = not knowledgeable at all, 10 = very knowledgeable)

Base: All respondents (14,326), All with each product: Any pure protection (6104), non-holders (8222), any Life (4352), WoL (2347), Term (1881), Over 50's (859), Death in Service (1538), IP (2116), CIC (2651)

When it comes to financial services and products, I would consider myself to be a confident and savvy consumer:



Q8. How much do you agree or disagree with the following statements?

Base: All respondents (14,326), All with each product: Any pure protection (6104), non-holders (8222), any Life (4352), WoL (2347), Term (1881), Over 50's (859), Death in Service (1538), IP (2116), CIC (2651)

3.2. Understanding of policies

The majority of pure protection policy holders think they understand their policy fully or mostly. Of the different policies, Over 50s Guaranteed Acceptance Plans are the best understood, with 47% of holders believing they fully understand their policy. This compares with 40% of holders of Whole of Life, 37% of Term Insurance holders, 37% of Income Protection holders and 34% of Critical Illness Cover holders.

There are no consistent differences in level of understanding by the type of professional support used.

Amongst vulnerable policy holders, claimed understanding levels are lower than amongst pure protection holders overall. This is driven by those with low capability. Just over half (54%) of those with low capability thought they understood their policy fully or mostly compared with 77% of all pure protection policy holders.

When pure protection policy holders were asked what cover their product provided, those with life cover (Term Insurance, Whole of Life Insurance) and Over 50s Plan holders most frequently responded that they were covered in the event of death. Although it was perhaps surprising that not all mentioned this cover, Whole of Life Insurance and Over 50s Plan holders also mentioned funeral and end-of-life costs. Those with Term Insurance mentioned cover for their mortgage or other loans.

Beyond these principal areas of cover, there was a degree of confusion and uncertainty. For example, 16% of holders of Term Insurance and 19% of holders of Whole of Life Insurance mentioned help with long term care and 10% of those with Critical Illness Cover and Income Protection were unsure what they were covered for.

Fig 15. What holders believe their policy covers:

	Term	WoL	GOF	CI	IP
Death	66%	70%	77%	27%	23%
Serious illness	36%	32%	17%	63%	39%
Losing income due to illness or injury	20%	21%	8%	38%	50%
Disability or long-term health problems	20%	21%	11%	39%	29%
Future funeral or end-of-life costs	16%	23%	27%	12%	13%
Needing help with long-term care	16%	19%	9%	23%	23%
Financial difficulty with loan or mortgage repayments	13%	14%	5%	13%	27%
None of the above	2%	3%	2%	2%	4%
Unsure	8%	7%	7%	10%	10%

Q10. You mentioned that you hold [PRODUCT], what events or situations does your insurance policy cover you for?
Base: All with each product: Term (1887), WoL (2361), Over 50's (859), CIC (2708), IP (2184)

Amongst recent purchasers (last 12 months), levels of claimed understanding are similar for those who bought their policy in isolation and those who bought more than one policy at the same time.

Amongst probable ACI holders, claimed levels of understanding are high with 48% claiming to understand their policy fully. Understanding is higher among those who bought Term Insurance and Critical illness in the same time period (55%) and is lower amongst those with Term Insurance who did not buy Critical Illness in the same time period, but who believe their policy will payout in the event of serious illness (35%).

Policy Understanding – Qualitative

The qualitative research reveals that respondents tend to understand the policy headlines rather than be confident and diligent about the details of their policies.

“I don't think I'm that confident to be honest. I just know that they pay out a lot of times. I don't really know the ins and the outs if I'm being completely honest. I know a lot of insurance providers don't pay out if you were to take your own life, I know that, but I haven't really looked into what scenarios they do or they don't. I just bought it and I'm hoping for the best.”

(Life, Recent, Direct)

There is some variation by product in respondent understanding with the relatively simple Over 50s Guaranteed Acceptance Plans being the best understood and the more complex products – Critical Illness and Income Protection – less well understood. Critical illness and income protection policies are generally more complex than life insurance due to their need to cover a wide range of specific potential future scenarios involving health and earnings loss, whereas life insurance focuses on the single event of death.

As with the quantitative research, there is no consistent pattern in understanding by method of purchase. However, some buying direct had to make their choices independently and, in so doing, obtained a moderate understanding:

“I did look a little bit more at the terms and conditions than I did previously when I went through a broker because...I didn't really have someone else to explain everything to me.”

(Term, Switch, Direct)

However, respondents who purchased directly still looked to online tools e.g., Money Saving Expert and Trustpilot for support and to negate the need to fully understand their policy. Respondents' assessment of how well they understood their policy varied by their perceptions of the level of service of their intermediary.

In the qualitative research, the most common knowledge gaps, regardless of purchase channel, are a lack of clarity about whether there is a formal deferment period (waiting time between a claim event and when claim benefits start) built into the policy before it pays out and, if there is, its length. Income Protection is the exception where most are aware of the deferment period (particularly recent purchasers), and this is often the reason for choosing one policy option over another. Exclusions are also a common gap in understanding across all types of policy. Respondents tend to make assumptions and generalise. Critical Illness holders often could not articulate which conditions were covered by their policy and which were not.

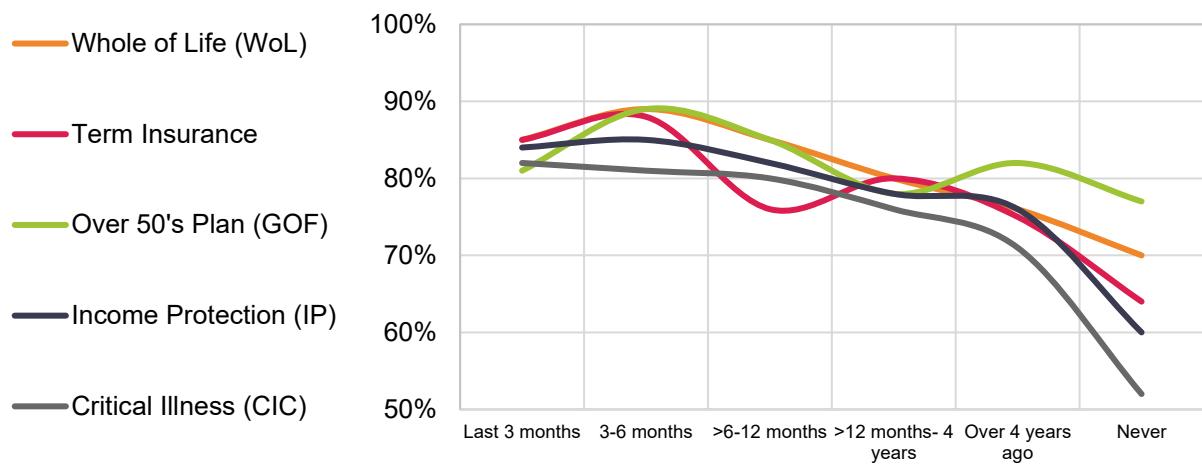
Respondents were also sometimes unsure about exactly how much they will be covered for in the event of a claim. The exception is Term Insurance, where respondents are generally clear that their policy will pay off the amount owed on their mortgage.

In the case of Income Protection, respondents are often uncertain about how long the payments will continue and how these payments interact with statutory sick pay and any sickness pay from their employer.

Product knowledge falls off after reviewing. There is a correlation between the recency of last reviewing needs and claimed levels of understanding. Those who have reviewed their needs in the last 12 months are more likely to say they fully or mostly understand their policy. This is particularly evident in the case of more complex policies - Income Protection and Critical Illness Cover. Eighty-three percent of Income Protection holders who have reviewed their needs in the last 12 months state that they either fully or mostly understand their cover. This compares to 60% who have never reviewed. For holders of Critical Illness Cover, 81% who have reviewed in the previous 12 months feel they either fully or mostly understand their policy, compared to 52% who have never reviewed.

Six to twelve months after reviewing their policy, the proportion of holders who fully / mostly understand their policy drops. Again, this is particularly evident for Income Protection and Critical Illness.

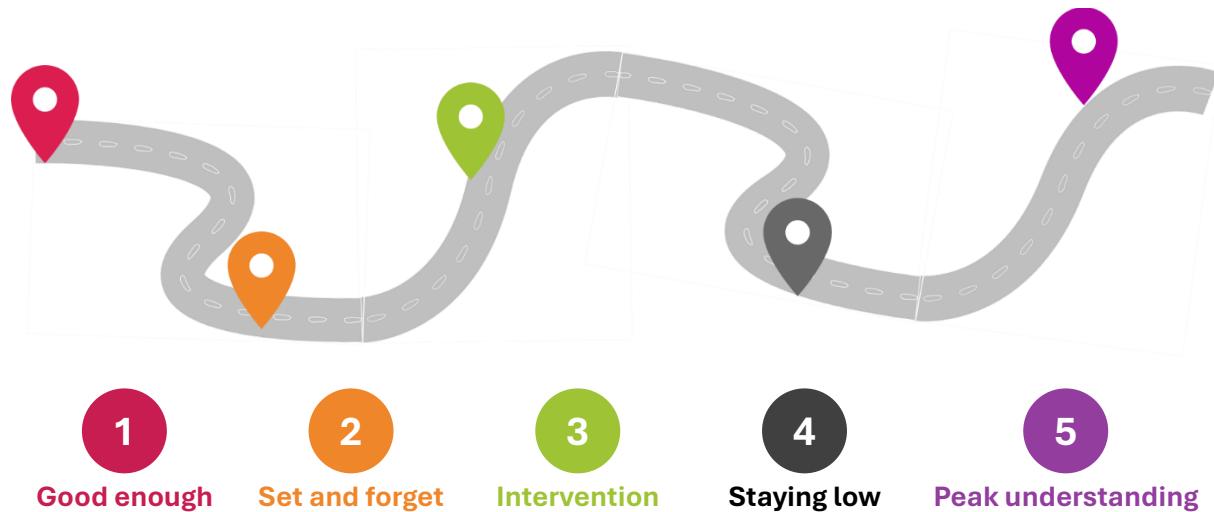
Fig 16. Product understanding over time:



Q9. How well do you understand what your [PRODUCT] covers and when it would pay out?

Base: All with each product: WoL (2347), Term (1881), Over 50's (859), Death in Service (1538), IP (2116), CIC (2651)

The qualitative research reveals that there is a clear understanding journey which plays out over time and supports the quantitative finding that reviews are important in maintaining an understanding of policies over time.



The different stages in the journey are:

1. **Good enough:** at the time of purchase, respondents feel they should know enough about the policy to decide which policy is right for them. In reality, the levels of actual understanding vary by the product, its complexity, purchase channel and the quality of the intermediary
2. **Set & forget:** once the policy has been bought, policy holders move to a holding pattern where they essentially forget about the product and knowledge of the policy detail fades
3. **Intervention:** policy holders' knowledge of the policy details can be raised by some form of intervention. This can be a formal review of their policy holding or a trigger to switch which leads to a review
4. **Staying low:** without an intervention point or the need to claim, the policy stays in the background. Levels of understanding remain low.
5. **Peak understanding:** this is reached if and when policy holders need to claim at which point they fully engage with the policy and its detail

Policy holders' understanding of their policies was assessed in both the qualitative and quantitative research. Having a good understanding of policy details is key to achieving good outcomes.

The quantitative research could not test consumers' understanding in such a detailed way as the qualitative research. The quantitative research assessment relied on policy holders' own evaluation of their understanding of their product (the majority thought they understood their policy mostly / fully), together with their reasons for buying the product and their knowledge of the main covers provided. In the quantitative research, most respondents correctly identify the main cover features of individual policies, for example buying a home is an important trigger for purchasing Term Insurance and protecting their mortgage is a main driver. However, there is a degree of confusion with some respondents assuming cover which is not in fact provided.

Examples of this included Term and Whole of Life policy holders including long term care in their

assumed policy cover (16% and 19% respectively) and Critical Illness and Income Protection mentioning cover for death (27% and 23% respectively).

Some qualitative respondents highlighted that a clear understanding of their policy enabled them to make meaningful comparisons between policies at the sales stage (i.e. they can better judge the quality of cover) and therefore are less likely to rely on price and brand as the key differentiators.

Having a good understanding of their policy helped some respondents recognise when a policy becomes unsuitable or redundant and when they should consider alternative cover or extending their cover.

“Perhaps just a little reminder of what it covers. Any adjustments you might want to make because our lives changed when we took that product out, the children were young, you don’t have as much disposable income. Now, life’s moved on. We’re a little bit more comfortable and could look at an additional product and probably should do as well.”

(Term, Held for Sig. Period, Intermediary)

A full understanding of the policy details increased some respondents’ confidence when claiming and reduces pressure at a time of high emotion.

“I felt very confident because I understood what the policy covered. They’d explained everything to me, and I’d read through the brochure, so when it came to claiming, I knew what to do and what to expect.”

(CIC, Claim, Intermediary)

4. Perspectives on policies

This section includes data provided by all those who bought their policy privately (perceptions of policies) and those who bought their policy privately in the last 12 months (perceptions of premium and actual premium paid)

Holders of pure protection insurance were asked to what extent they believed their policies were essential and whether they thought they offered value for money. It was clear that across all the different policy types, **policy holders attach great importance to their policies and believe they obtained their policy at a good price, even if in some cases the premium was more than they expected**. The questions relating to perceptions of the policy in terms of being a necessity / nice-to-have / essential were asked of all those who had purchased their policy privately. Questions relating to the premium were asked of those who purchased their policy in the last 12 months.

4.1. Term Insurance

When asked how essential their Term Insurance policy would be if they had to cut spending, **almost three-quarters of Term Insurance holders (72%) viewed their policy as a necessity**, with only 4% believing it was non-essential.

The median premium cost for Term policy holders is £35 per month and for almost half of holders this was in line with expectations. **Twenty-nine percent, however, think they are paying more than expected**, and 19% believe they are paying less. When asked whether they thought they were getting the best price for the cover they needed, 49% of Term Insurance holders agreed they were and only 5% were sure they could have found it cheaper if they had shopped around.

Fig 17. Perceptions of term insurance holders:



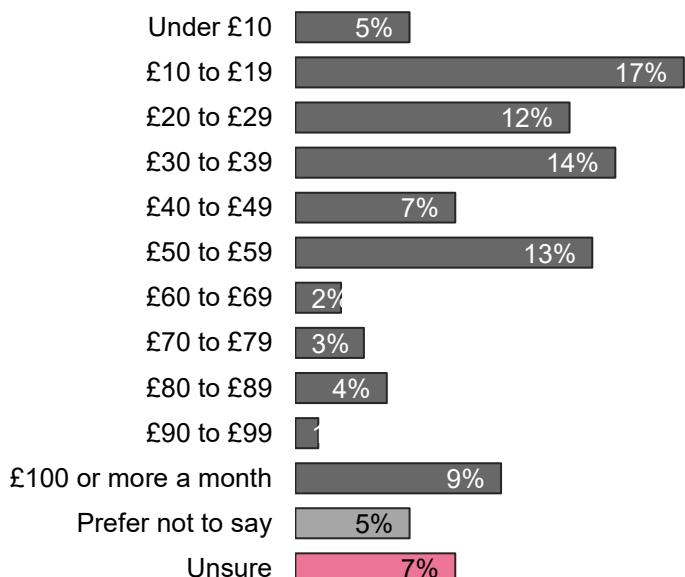
Q15. If you had to make cuts to your spending, would you consider your [PRODUCT] cover to be...?



Q20. How does the monthly premium you pay compare to what you expected it would be?



Q21. Do you believe the price you pay each month is the best price you could get for the cover you needed?



Q18/Q19. Approximately, how much do you pay each month for the policy / policies below?

Base: Q15: All who purchased Term (1613), Q18/19/20/21: Term was most recent purchase (bought within the last 12 months) (166)

4.2. Whole of Life Insurance

Three-quarters of Whole of Life Insurance holders see their policy as essential if faced with cuts to spending, slightly more than for Term Insurance holders. Just 3% class their Whole of Life Insurance as non-essential, slightly less than for Term Insurance.

The median monthly premium for Whole of Life Insurance products is also £35 per month, with half of holders paying what they expected, slightly more than for Term Insurance. Twenty-six percent of Whole of Life Insurance holders say this is more than they expected, compared with 20% who said it is less than they expected.

Nearly half of those with Whole of Life Insurance believe they got the best possible price and 8% (slightly higher than for Term Insurance holders) think they could have got it cheaper if they had shopped around.

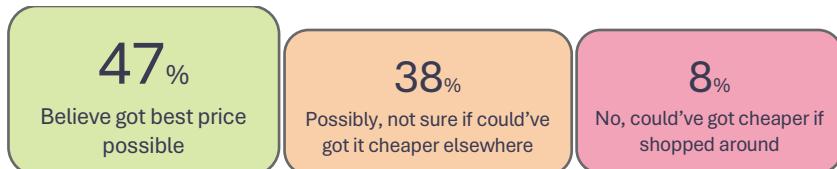
Fig 18. Perceptions of whole of life holders:



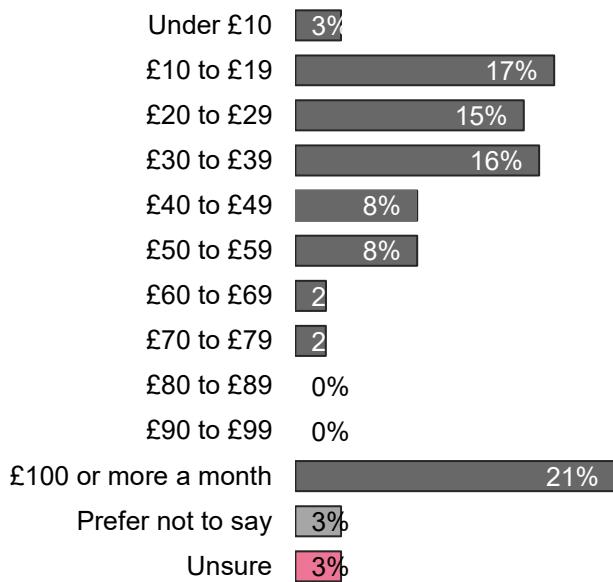
Q15. If you had to make cuts to your spending, would you consider your [PRODUCT] cover to be...?



Q20. How does the monthly premium you pay compare to what you expected it would be?



Q21. Do you believe the price you pay each month is the best price you could get for the cover you needed?



Q18/Q19. Approximately, how much do you pay each month for the policy / policies below?

Base: Q15: All who purchased WoL (2039), Q18/19/20/21: WoL was most recent purchase (bought within the last 12 months) (88)

4.3. Over 50s Guaranteed Acceptance Plans

Three-quarters of Over 50s Guaranteed Acceptance Plan holders also view their policy as essential if cost-cutting were a factor. Only 4% view it as non-essential.

The premiums for Over 50s Guaranteed Acceptance Plans are the lowest of any of the policies at a median cost of £25 per month. Sixty-six percent of holders expected to pay this amount and 11% said this was more than they expected, the least of any policy. Seven percent believe they could have found the policy cheaper elsewhere if they had shopped around. The percentage of Over 50s Guaranteed Acceptance Plan holders who consider they are paying what they expected is higher than for all the other policy types.

Fig 19. Perceptions of over 50s plan holders:



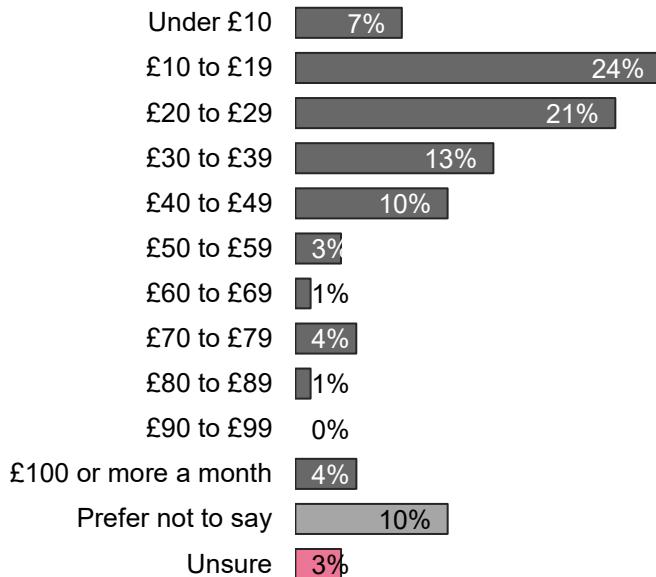
Q15. If you had to make cuts to your spending, would you consider your [PRODUCT] cover to be...?



Q20. How does the monthly premium you pay compare to what you expected it would be?



Q21. Do you believe the price you pay each month is the best price you could get for the cover you needed?



Q18/Q19. Approximately, how much do you pay each month for the policy / policies below?

Base: Q15: All who purchased Over 50's (859), Q18/19/20/21: Over 50's was most recent purchase (bought within the last 12 months) (83)

4.4. Critical Illness Cover

Two-thirds believe their Critical Illness cover is essential if cutting costs were necessary.

Whilst the proportion considering their Critical Illness policy essential is high (66%), it is lower than the proportion thinking their Term, Whole of Life and Over 50s Guaranteed Acceptance Plans are essential. Holders of Critical Illness are less likely to consider their policy a necessity than holders of Term Insurance, Whole of Life and Over 50s Guaranteed Acceptance Plans.

The median monthly premium for Critical Illness Cover is £35 per month, with three in ten holders saying this was more than they had expected to pay. However, only 6% believe they could have found it cheaper elsewhere if they had shopped around.

Fig 20. Perceptions of critical illness cover holders:



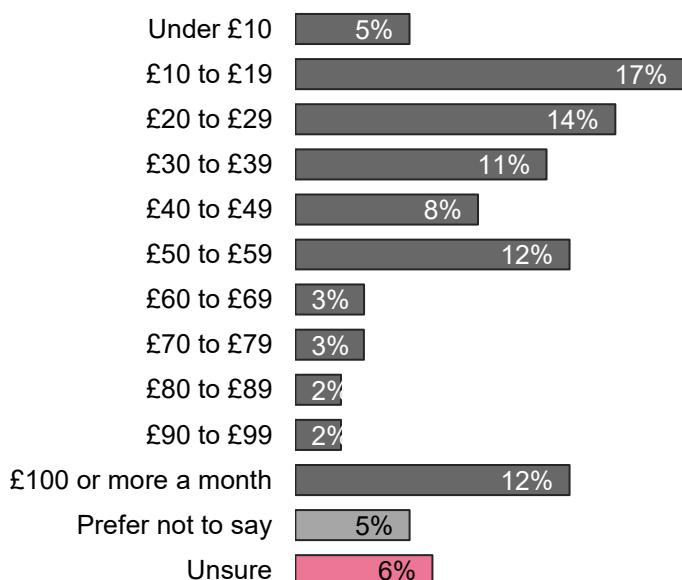
Q15. If you had to make cuts to your spending, would you consider your [PRODUCT] cover to be...?



Q20. How does the monthly premium you pay compare to what you expected it would be?



Q21. Do you believe the price you pay each month is the best price you could get for the cover you needed?



Q18/Q19. Approximately, how much do you pay each month for the policy / policies below?

Base: Q15: All who purchased CIC (1942), Q18/19/20/21: CIC was most recent purchase (bought within the last 12 months) (260)

4.5. Income Protection

Sixty-six percent of Income Protection plan holders view their policy as essential if cost cutting were necessary. This is the same as for Critical Illness. Both **Critical Illness and Income Protection are slightly less likely to be seen as essential compared with life policies (Term, Whole of Life and Over 50s Guaranteed Acceptance Plans) and more likely to be seen as nice to have.** Holders of Income Protection are less likely to consider their policy a necessity than holders of Term Insurance, Whole of Life and Over 50s Guaranteed Acceptance Plans.

The median monthly premium for Income Protection is £40 per month, the highest for any type of protection policy. More holders than for any other policy (50%) believe they got the best deal on their policy and 11% (also the highest of any policy) think they could have found Income Protection cheaper elsewhere. Income Protection, therefore, splits holders' opinions on price more than other policies.

Fig 21. Perceptions of income protection holders:



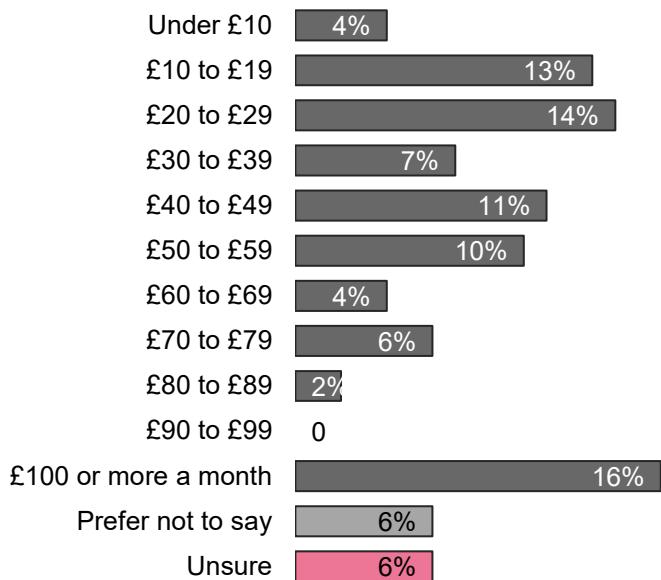
Q15. If you had to make cuts to your spending, would you consider your [PRODUCT] cover to be...?



Q20. How does the monthly premium you pay compare to what you expected it would be?



Q21. Do you believe the price you pay each month is the best price you could get for the cover you needed?



Q18/Q19. Approximately, how much do you pay each month for the policy / policies below?

Base: Q15: All who purchased IP (1351), Q18/19/20/21: IP was most recent purchase (bought within the last 12 months) (221)

5. Products purchased in the last 12 months

This section discusses the experiences and perceptions of those who have privately purchased one or more pure protection policies in the last 12 months. These are referred to as recent purchasers.

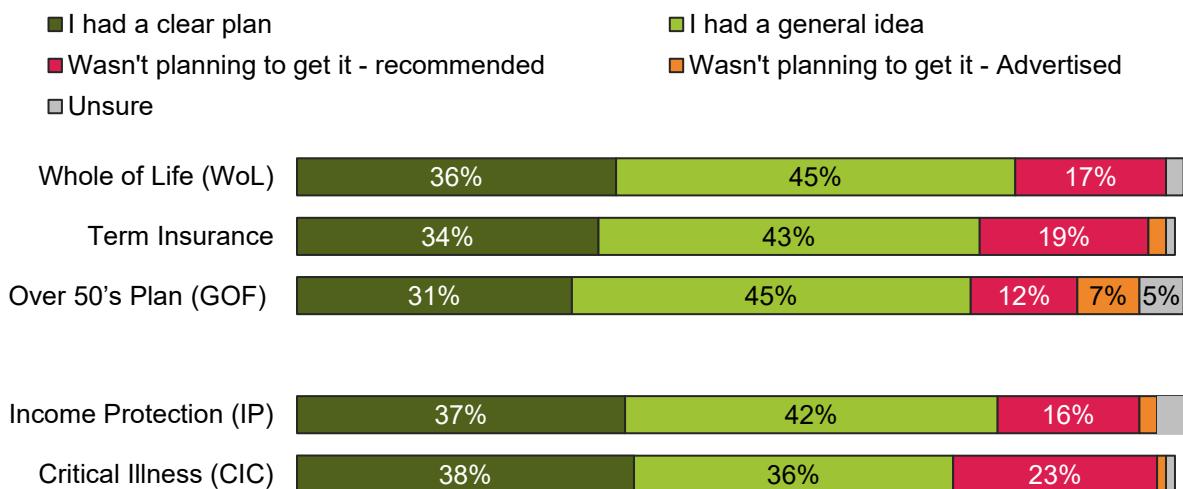
5.1. Intentions and behaviour prior to purchase

5.1.1. Buyer intent

Most recent purchasers (80% or more depending on policy type) set out either with a clear plan or a good idea of what they wanted. There are small variations across policies, with those purchasing Over 50s Guaranteed Acceptance Plans least likely to have had a clear plan or a good idea and most likely to have responded to an advertisement (7%).

In all cases, a minority did not intend to purchase their policy but had acted upon recommendation. This is highest amongst recent purchasers of Critical Illness, 23% of whom had purchased in response to a recommendation. This is significantly higher than for Income Protection and Over 50s Guaranteed Acceptance Plans. Those who bought two or more products at the same time were more likely to have a clear plan than those buying a single product (41% vs. 27%). Forty-five per cent of those who bought Term Insurance and Critical Illness at the same time had a clear plan.

Fig 22. Extent of planning prior to purchase:



Q22. Thinking back to when you took out the following insurance policy / policies, to what extent did you plan and consider the needs you had?

Base: Most recent purchase – all who bought within the last 12 months: WoL (191), Term (193), Over 50's (89), IP (257), CIC (317)

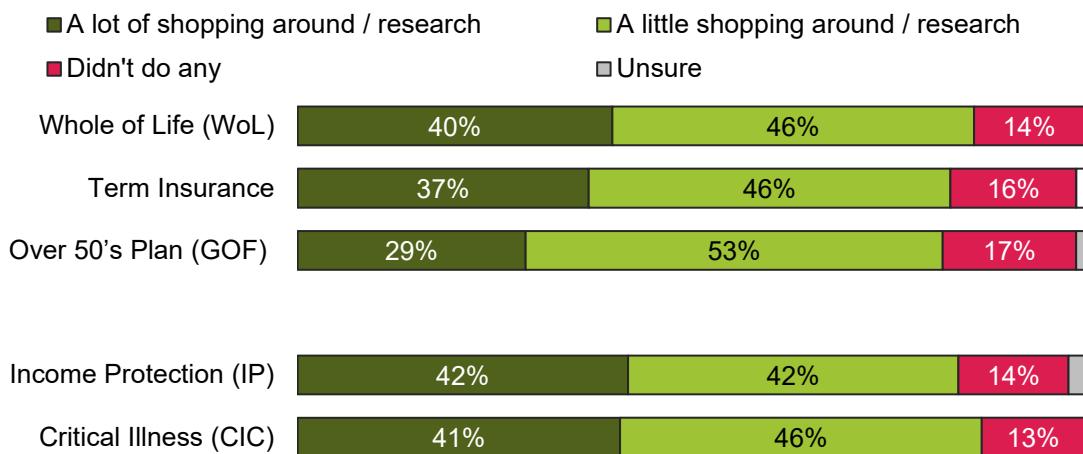
Those purchasing their policy through an IFA were significantly more likely to have had a clear plan (45%) than those purchasing via an insurance broker (32%), bank (30%) and mortgage broker (20%).

Most recent purchasers of pure protection products (80% or more) told us they had shopped around for their policy. However, the degree of shopping around varied by product. Over 50s Guaranteed Acceptance Plan purchasers were the least likely to have shopped around a lot (29%) and the most likely to have not shopped around / compared different policies (17%).

There are no differences by purchase channel in the propensity to have shopped around.

Most recent policy purchasers found the shopping around process straightforward (typically around 70%). Amongst the minority who found the process difficult, 25% of this group didn't know where to start and a similar proportion thought policies were all the same. Equally, 25% found it hard to compare policy features and 21% were unsure what they needed.

Fig 23. The extent buyers shopped around and the ease of the purchasing process:



Q23. When buying the policy / policies below, to what extent did you personally shop around and compare different policies / options?

Base: Most recent purchase – all who bought within the last 12 months: WoL (191), Term (193), Over 50's (89), IP (257), CIC (317)

	WoL	Term	GOF	IP	CIC
Very Easy	30%	17%	19%	27%	25%
Fairly Easy	41%	50%	51%	44%	44%
Neither / Nor	19%	17%	22%	19%	15%
Fairly Difficult	8%	14%	7%	10%	13%
Very Difficult	2%	1%	1%	1%	3%
NET: Easy	71%	67%	70%	70%	69%
NET: Difficult	10%	16%	8%	11%	16%

Q24. How easy or difficult did you find it to compare the policies / options?

Base: Most recent purchase – all who bought within the last 12 months and shopped around: WoL (161), Term (160), Over 50's (73), IP (214), CIC (269)

5.1.2. Impact of medical conditions and affordability

Over a quarter (28%) of all those who purchased Term Insurance in the last 12 months felt they had to compromise on the type or level of cover, while a quarter of those buying Whole of Life, Critical Illness, and Income Protection felt they had to make compromises. Purchasers of Over 50s Plans were less likely to have compromised on their cover than other types of policy holders (18% versus 25% for Whole of Life).

At the time of purchasing their protection policy, almost three in ten policy holders (29%) had a medical condition. It was highest amongst those buying Over 50s Guaranteed Acceptance Plans (38%). This, along with their budget, affected the cover they took out. Amongst those with a medical condition the proportion who had to compromise on cover was much higher at 52%. This compares with 14% of those without a medical condition.

Among all respondents, the reasons for making compromises vary. Twenty-seven percent cited their health and 25% reported that they couldn't afford the cover they ideally wanted. Other reasons included that the policy they bought didn't have all the options they wanted (30%) and that they were declined for some types of cover (19%).

Amongst those with a medical condition at the time of purchasing, the reasons were very similar.

For those who compromised on their policy, 30% opted for policies that did not have all the features they wanted. Moreover, the need to compromise also meant that, in some cases, respondents accepted the first policy offered (21%) or did not feel confident in the product they purchased (21%).

Fig 24. Impact of health and cost on cover:



Q42. At the time of buying the policy / policies below, did you have any pre-existing medical conditions?

Base: Most recent purchase – all who bought within the last 12 months (643)

% Yes	had to compromise	%
Term Insurance	28%	
Whole of Life (WoL)	25%	
Critical Illness (CIC)	25%	
Income Protection (IP)	24%	
Over 50's Plan (GOF)	18%	

Q43. When you took out the policy / policies below, did you feel you had to compromise on the type or level of cover at all?

Base: Most recent purchase – all who bought within the last 12 months: WoL (90), Term (166), Over 50's (83), IP (221), CIC (260)

Why felt needed to compromise*:	All Policy Types	Term	IP	CIC
Couldn't afford the cover I ideally wanted	25%	29%	19%	23%
Health limited what I could get	27%	17%	33%	26%
Process felt confusing or overwhelming	26%	18%	38%	24%
Policy options didn't cover everything ideally wanted	30%	35%	27%	36%
Didn't fully understand the choices available	18%	23%	20%	17%
Was declined for some types of cover	19%	14%	19%	26%
Unsure	6%	7%	4%	4%

Q44. When buying the policy / policies below, why do you feel you needed to compromise on the type or level of cover?

Base: All who bought in the last 12 months and needed to compromise: Term (49), IP (31), CIC (34)

** NB. Base sizes too small to show all who needed to compromise for WoL and GOF*

Ways needed to compromise*:	All Policy Types	Term	IP	CIC
I chose a lower payout or benefit than I wanted	27%	37%	26%	28%
I chose a simpler or more basic type of cover	32%	31%	28%	33%
I went with the first option that was accepted	21%	18%	21%	22%
I removed some features I initially wanted	28%	25%	31%	32%
I accepted a policy I wasn't fully confident about	21%	18%	37%	12%
Unsure	5%	6%	2%	7%

Q45. And how did you compromise when selecting the cover?

Base: All who bought in the last 12 months and needed to compromise: Term (49), IP (31), CIC (34)

** NB. Base sizes too small to show all who needed to compromise for WoL and GOF*

It was clear from the qualitative research that some respondents were willing to make compromises on the cover or provider to fit their monthly budget. For example, taking an over 50s policy with guaranteed acceptance and smaller payouts for funeral costs but with no medicals which would involve more underwriting and higher costs:

“If I wanted a really healthy insurance policy to cover me with loads of money, then I'd be paying an obscene premium. I don't want that. It is basic life coverage for someone of our age, that you don't have to go through one million and one health checks. This is a nice, easy introduction into an affordable coverage. It might not cover absolutely every single, bell and whistle and everything else with add-ons. But it does what it says on the tin. It's a good basic coverage for life insurance for someone 50 and over.”

(Over 50s, Recent, Direct)

5.2. The Sales Process (products purchased in the last 12 months)

5.2.1. Information sources used

Recent purchasers of pure protection products used a range of sources to aid them in their decision-making.

The most commonly consulted sources of information were online searches, reviews and social media (35%), price comparison websites (35%), family, friends and colleagues (34%) and pension or insurance company websites (30%).

Over 50s Guaranteed Acceptance Plan holders were the least likely to have used information sources (80% vs. 92% overall) and the information sources that they used were less likely to be online.

5.2.2 Professional Support

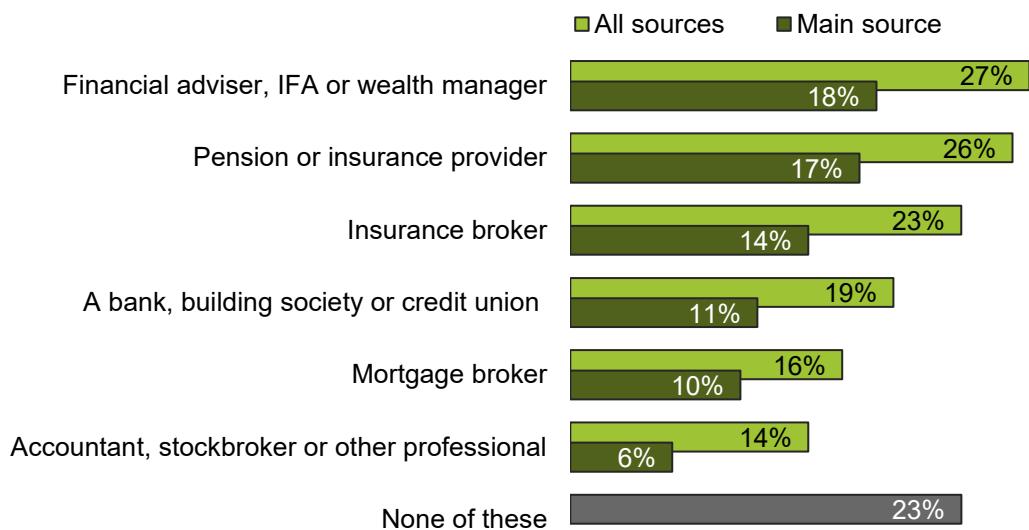
In addition to this informal support, a **clear majority (77%) used professional support** to aid their decision making. **This professional support was from** IFAs (27%), pension or insurance providers (26%), insurance brokers (23%), bank / building societies (19%), and mortgage brokers (16%). As referenced in the methodology, this research cannot distinguish advised from non-advised sales and cannot comment on what proportion of the professional support was advised or non-advised.

Fig 25. Information sources used in product purchase decision:

%	Bought Last 12M	WoL	Term	GOF	IP	CIC
Online searches, reviews, social media	35%	27%	30%	21%	37%	39%
Price Comparison Websites	35%	43%	39%	23%	39%	34%
Friends or family / colleagues	34%	36%	34%	16%	33%	37%
Pension or Insurance company website	30%	30%	31%	20%	29%	33%
Money Saving Expert	24%	34%	25%	20%	21%	26%
Government websites (MAPS etc.)	17%	8%	15%	14%	18%	22%
TV, Radio or Money Podcasts	11%	6%	12%	10%	11%	11%
None of the above	8%	7%	10%	20%	8%	7%

Q26. Which if any, of the following information sources helped you to think about or decide on the policy / policies?

Base: Most recent purchase – all who bought within the last 12 months (643), WoL (90), Term (166), GOF (83), IP (219), CIC (260)



Q27. And which, if any, of the following sources of professional support did you use to reach a decision?

Q28. And who would you regard as your main source of professional support?

Base: Most recent purchase – all who bought within the last 12 months (643)

In fact, using professional support to reach a decision is the norm for many recent purchasers with the exception of those purchasing Over 50s Guaranteed Acceptance Plans.

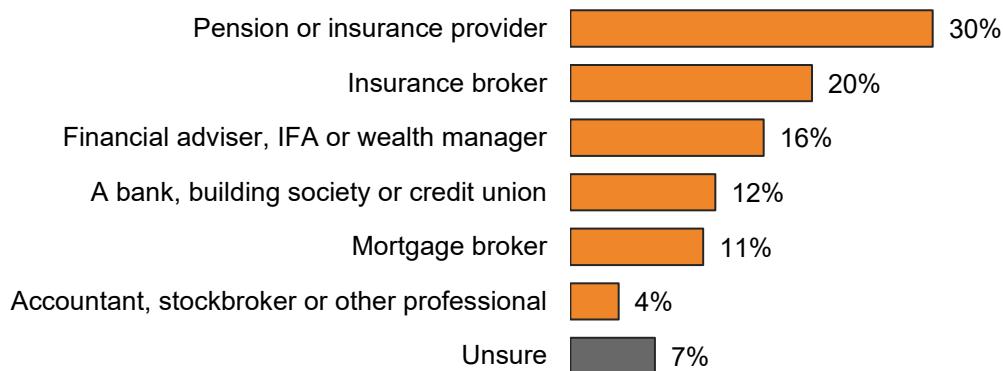
A high proportion of recent purchasers of Income Protection, Critical Illness Cover, Whole of Life, and Term Insurance used professional support to help reach a decision (86%, 83%, 81%, and 80% respectively). This falls to 37% for recent purchasers of Over 50s Guaranteed Acceptance Plans.

5.2.3 Purchase Channel

The most frequently used purchase channels among recent purchasers were pension or insurance providers (30%), followed by insurance brokers (20%) and IFAs (16%).

The most notable difference by product is the proportion using pension or insurance providers rise to 58% among recent purchase of Over 50s Guaranteed Acceptance Plans.

Fig 26. Where purchases are made:



% by Product Bought	WoL	Term	GOF	IP	CIC
Pension or insurance provider	33%	25%	58%	20%	30%
Insurance broker	23%	21%	7%	21%	18%
Financial adviser, IFA or wealth manager	10%	16%	12%	16%	19%
Bank, Building Society or Credit Union	10%	11%	11%	14%	10%
Mortgage broker	14%	16%	1%	16%	14%
Accountant, stockbroker or other professional	6%	5%	0%	6%	3%
Unsure	5%	7%	10%	8%	6%

Q31. And how did you actually purchase the policy / policies below?

Base: Most recent purchase – all who bought within the last 12 months (643), WoL (90), Term (166), GOF (83), IP (219), CIC (260)

The advice of friends and family in choosing a purchase channel is important to many, as is using online searches.

When asked how they selected where to purchase their pure protection product, 30% of recent purchasers had asked family and friends, 27% searched online and contacted the provider directly and 20% were already aware of the brand. Other means of selecting a channel included recommendation by another professional, seeing or reading something about them, comparison sites and third-party introductions.

Fig 27. How discovered purchase channel:

	%	Differences by purchase channel
Recommended by a friend / family member	30%	<i>IFA / FA 42%, Accountant / Accountant / Another 38%</i>
Searched online and contacted directly	27%	<i>Pension Provider 33%</i>
I'd used them before / well-known brand	20%	<i>Bank / Building Society 29%</i>
Recommended by another professional	18%	<i>Accountant / Other 36%, IFA / FA 30%</i>
Saw or read something about them	18%	<i>Accountant / Other 25%</i>
Found through comparison site	16%	
Introduced by third party	14%	<i>Bank / Building Society 21%</i>

Q34. How did you find the [PURCHASE CHANNEL] who helped you make your decision on the policy / policies below?

Base: All selecting specific purchase channels (601)

There were four important reasons for recent purchasers of pure protection products to use professional support: the desire for expert help (34%), a clear explanation of the options available (33%), finding the best price (33%) and reassurance that they were making the right decision (33%). Other less frequently mentioned reasons included not feeling comfortable making the decision alone, a previous positive experience and not having enough time to do the research.

IFAs clearly had a key role in supporting buyers to make decisions around pure protection policies and brought a significant amount of value (43% of buyers turned to IFAs to help them make the right decision and 41% for reassurance they were doing the right thing).

Insurance and pension providers, as well as insurance brokers, also played a significant role in providing support to purchasers. Notably, those consulting an IFA are significantly more likely to say they wanted someone to explain the options clearly than those consulting a bank / building society (38% vs. 23%) and 41% of those using an IFA did so for reassurance compared with 17% of those using a mortgage broker.

Fig 28. Reasons for using professional support:



	Bank / BS	IFA / FA	Insurance/ Pension Provider	Mortgage Broker	Insurance Broker	Accountant / Other*
I wanted expert help to make the right decision	29%	43%	30%	36%	35%	21%
I wanted someone to explain the options clearly	23%	38%	32%	33%	35%	36%
To find the best price / deal	28%	39%	35%	18%	36%	25%
I wanted reassurance that I was doing the right thing	38%	41%	34%	17%	32%	24%
It was suggested to me by another professional	20%	21%	10%	12%	7%	20%
I didn't know where to start on my own	17%	14%	11%	9%	13%	22%
I didn't feel confident making the decision on my own	15%	18%	9%	13%	14%	20%
I'd used one before and had a good experience	23%	17%	9%	12%	12%	6%
I had a complex situation and needed tailored advice	16%	20%	13%	9%	9%	11%
I didn't have time to research everything myself	8%	11%	14%	13%	7%	7%

Q32. Why did you use professional support?

Base: All who purchased a pure protection product in the last 12-months and used professional support (494): Pension / insurance provider (123), Insurance Broker (110), FA / IFA (101), Bank, BS (66), Mortgage Broker (62), Accountant / other (26) * Caution: Small base size

5.2.2. Rating the support received

Most recent purchasers of pure protection products rated the service they received as good or better.

However, there were some variations in perceived quality between the different types of support.

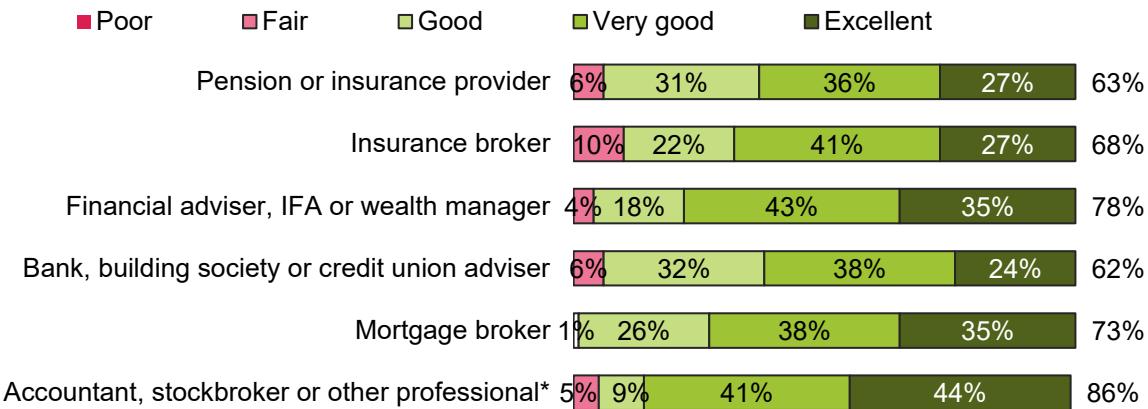
Banks, building societies, pension or insurance providers and insurance brokers were less likely to receive a good or excellent rating than IFAs or mortgage brokers. Seventy-eight percent rated IFAs good or excellent and 73% rated mortgage brokers good or excellent compared with 68% for insurance brokers, 63% for insurance and pension provider and 62% for banks and building societies.

When ratings for the support received are analysed by policy type, Over 50s Guaranteed Acceptance Plan purchasers were least likely to rate the service they received as good or excellent – 58% Over 50s Guaranteed Acceptance policy holders rated the service good or

excellent compared with 67% for Term, 65% for Whole of Life, 73% for Critical Illness and 77% for Income Protection.

There were also differences in the types of advice purchasers received, depending on the source. IFAs and insurance brokers made specific policy recommendations whilst mortgage brokers left the customer to decide. This is likely to be due to the difference between advised and non-advised pure protection sales, which we have not been able to identify in this research.

Fig 29. Support received ratings:



% NET Excellent / very good by Product Bought	
Term Insurance	67%
WoL	65%
GOF	58%
CIC	73%
IP	77%

Q35. Overall, how would you rate the support you received from the [PURCHASE CHANNEL]?

Base: All who purchased a pure protection product in the last 12-months: Pension / insurance provider (198), Insurance Broker (129), FA / IFA (107), Bank, BS (78), Mortgage Broker (63), Accountant, stockbroker / other (26)

Role [PURCHASE CHANNEL] played (last 12 months):	%	Differences
Made a specific recommendation(s), based on your needs, on which policy / policies to take	37%	IFA / FA 41%, Insurance Broker 43%
Talked through a menu of policy options, but left it to you to decide which was best for you	31%	Mortgage Broker 44%
Gave general, useful information or guidance, but without a recommendation	21%	-
Explained the policy / policies being offered, but they only offered a single choice	8%	-

Q38. How would you describe the role your [PURCHASE CHANNEL] played in helping you choose the policy / policies below?

Base: All who purchased a pure protection product in the last 12-months: Pension / insurance provider (198), Insurance Broker (129), FA / IFA (107), Bank, BS (78), Mortgage Broker (63), Accountant, stockbroker / other (26)

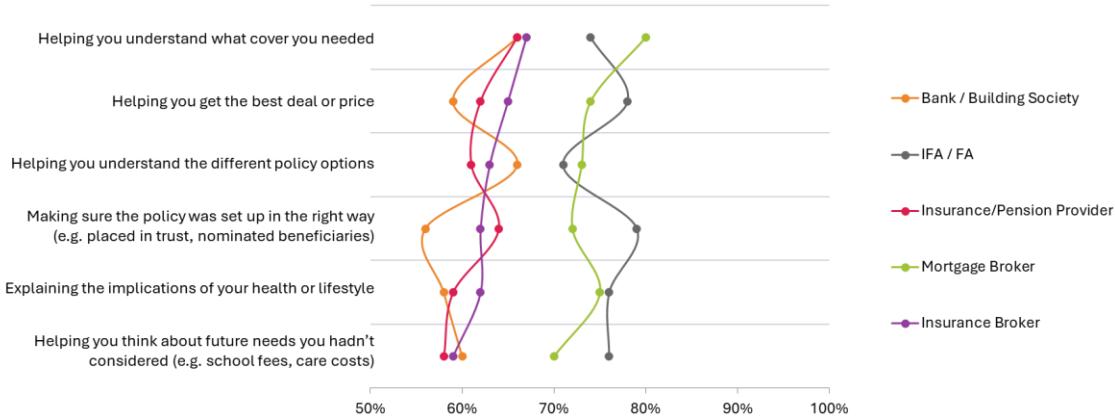
Overall, IFAs and mortgage brokers were more successful at providing the support purchasers needed.

When recent pure protection purchasers were asked about specific aspects of the professional support they received, there was a clear difference between IFAs and mortgage brokers on one hand and insurance and pension providers, banks and building societies and insurance brokers on the other.

IFAs were rated highly for ensuring the policy was set up correctly (79%) and for helping secure the best price (78%); mortgage brokers were rated highly for ensuring purchasers understood the cover they needed (80%).

Pension providers received lower ratings across all dimensions, particularly for helping purchasers understand the future implications of health and lifestyle (59%) and for advising them about future needs (58%). Banks and building societies performed less well on making sure purchasers' policies were set up the right way (56%) and on helping them get the best deal (59%).

Fig 30. Purchase channels rated for specific aspects of the support received:



Q36. Thinking about the support or help you received from [PURCHASE CHANNEL], how would you rate that support in each of the following areas?

Base: All who purchased a pure protection product in the last 12-months: Pension / insurance provider (198), Insurance Broker (129), FA / IFA (107), Bank, BS (78), Mortgage Broker (63)

5.2.3. General satisfaction with using an intermediary

Amongst qualitative respondents, those using intermediaries were generally satisfied with the intermediary experience at the point of sale and the amount of effort and discussion involved.

“[I valued] the time element. You know, he did put in a lot of time in, I suppose in total, it's about two hours. He obviously prepared reports for me. There was a lot of documentation that was provided. There was a lot of discussion. There was a lot of reviewing of the details. So, I did feel that the whole overall process was in my interest to find out what was the best thing for me.”

(IP, Recent, Intermediary)

Respondent satisfaction was driven by the positive relationship, the level of service and the comprehensive approach to ensuring purchasers understood their policy.

"I think it was in what I call layman's terms. I think the way they were describing the policy; it made sense to me. So, when she was asking me questions, I was like, oh yeah, I'll go with that then. And then if I didn't really understand it, she was quite happy to explain that bit of the policy. I didn't have a clue sometimes. And she was like, yeah, this is what this means. And then I go, no, I don't want that. Oh yes, I do want that. So, I liked that about her."

(Over 50s, Switch, Intermediary)

Overall, intermediaries were deemed to meet respondents' expectations and needs during the sales process. There is clear satisfaction with the reassurance offered during the process and the outcome. Intermediaries were considered by respondents to be successful at finding a policy that met needs, within budget.

"He was great. I'd give him, you know, a nine out of 10. He was really diligent. He bided his time, he was patient. He took my personal needs into account. Didn't try to push anything on to me."

(CIC, Recent, Intermediary)

However, with the benefit of time and hindsight, a few respondents uncovered misunderstandings (e.g. the premiums will increase over time) and in some limited cases, unsuitability, which then led to switching or lapsing.

"I didn't realise the premiums would increase. I thought it would stay the same for the whole term."

(WoL, Switched, Intermediary)

In addition, there was sometimes a lack of after-sales follow-up and care.

'It is hard to get through to her and I don't like that'

(CIC, Claimant, Intermediary)

5.2.4. Views on the sales environment and understanding of commission

Those buying pure protection products in the preceding 12 months largely viewed discussions with their selected purchase channels as positive.

The highest levels of agreement were with 'I felt guided but free to decide' (45%), and 'I felt fully informed and made the decision myself' (36%).

However, 17% felt under some pressure to buy, with that figure higher for those buying from a bank or building society (26%). Those with low capability and those with poor health felt more

pressure to buy than all recent purchasers. Twenty-seven per cent of those with low capability felt pressure to buy compared to 17% overall.

There was also a correlation between the extent to which respondents feel their protection needs are met and whether they felt pressure or pushed to buy a particular policy. Amongst those who feel their protection needs are fully met, 7% felt pressure to buy. Amongst those who feel their protection needs are mostly met, 21% felt pressure to buy. However, amongst those whose needs are partly met / not met at all, 38% felt pressure to buy.

Fig 31. Rating the quality of discussions with different advisers:

	Bought in last 12 months	Bank / BS	IFA / FA	Pension or Insurance Provider	Mortgage Broker	Insurance Broker	Accountant / Other*
I felt fully informed and made the decision myself	36%	34%	44%	38%	28%	31%	40%
I felt guided but free to decide	45%	35%	37%	46%	57%	50%	36%
I felt somewhat pressured to choose a certain policy	11%	9%	10%	10%	9%	13%	20%
I felt strongly pushed to go with a particular policy	5%	16%	6%	1%	6%	3%	0%
I didn't feel I had a real choice	1%	1%	2%	1%	0%	1%	0%
NET somewhat / strongly pushed / no real choice	17%	26%	18%	12%	15%	17%	20%
Unsure	3%	6%	1%	5%	0%	2%	4%

Q41. When you discussed protection insurance with your [PURCHASE CHANNEL], which best describes how you felt?

Base: All who purchased a pure protection product in the last 12-months using each source of professional support: Pension / insurance provider (198), Insurance Broker (129), FA / IFA (107), Bank, BS (78), Mortgage Broker (63), Accountant / other (26)

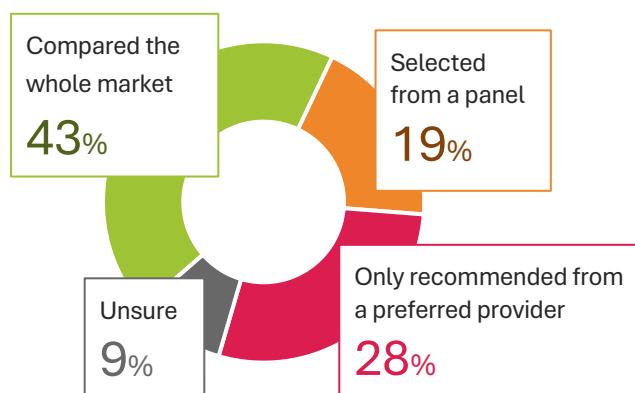
*Caution: small base size

The number of meetings and conversations that recent pure protection purchasers had with their chosen professional support varied depending on the source of professional support they used to purchase. Those who sought support from an IFA had the most meetings on average, and those using an insurance or pension provider to help reach a decision had the fewest. The average number of meetings for those consulting an IFA was 2.84 compared with 1.95 for those using an insurance or pension provider.

Recent purchasers of Over 50s Guaranteed Acceptance Plans had an average of 1.7 meetings compared with 2.4 - 2.5 for other policy holders.

IFAs, insurance and mortgage brokers were most likely to have been perceived as giving recent purchasers the option of more than one provider by comparing the whole market or selecting from a panel of providers. Seventy-one percent of respondents using IFAs, 68% using mortgage brokers and 67% using insurance brokers were thought to have compared the whole market or selected from a panel of insurers compared with 54% of those buying from banks and building societies. However, there was clearly a degree of confusion with 57% of those buying from a pension or insurance provider saying they compared the whole market or selected from a panel of providers.

Fig 32. Scope of professional support searches:



	Bank / BS	IFA / FA	Provider	Mortgage Broker	Insurance Broker	Accountant / Other
Compared the whole market	42%	46%	39%	42%	49%	33%
They selected from a panel	12%	25%	18%	26%	18%	14%
Only recommended from preferred provider	39%	23%	27%	26%	27%	41%
Unsure	8%	6%	15%	6%	5%	11%
NET: Whole market / panel	54%	71%	57%	68%	67%	47%

Q39. When your [PURCHASE CHANNEL] described the range of insurers or policies they could offer you, which of the following best fits with their approach?

Base: All who purchased a pure protection product in the last 12-months (601): Pension / insurance provider (198), Insurance Broker (129), FA / IFA (107), Bank, BS (78), Mortgage Broker (63), Accountant / other (26)

There is some confusion about whether and how pure protection recent purchasers paid for the support they received.

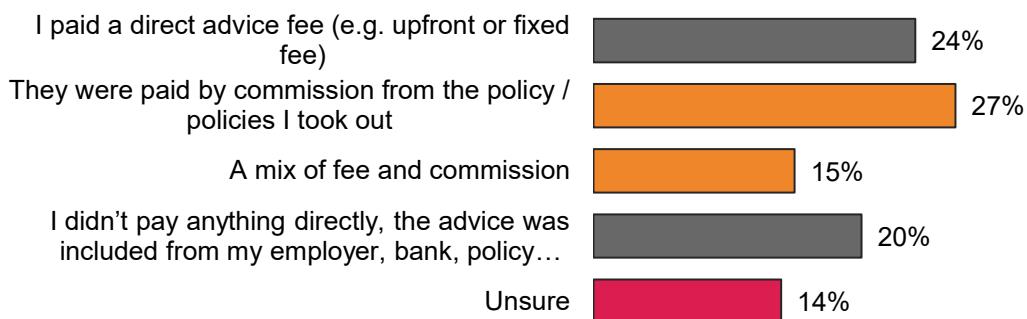
Two-thirds of recent purchasers who received professional support believe their professional received payment for the support they provided. A third of all recent protection purchasers are unsure whether their support had been paid or believe the advice was included at no additional cost.

In terms of the method of payment, a quarter said they paid their support a fixed fee, slightly higher amongst those using IFAs (31%) than other forms of professional support. Forty percent of those using a mortgage broker perceived that their broker was paid commission from the sale of the policy.

Four in ten of those who used professional support believed their professional support was paid commission. Twenty seven per cent believed this was commission only and 15% that it was a fixed fee.

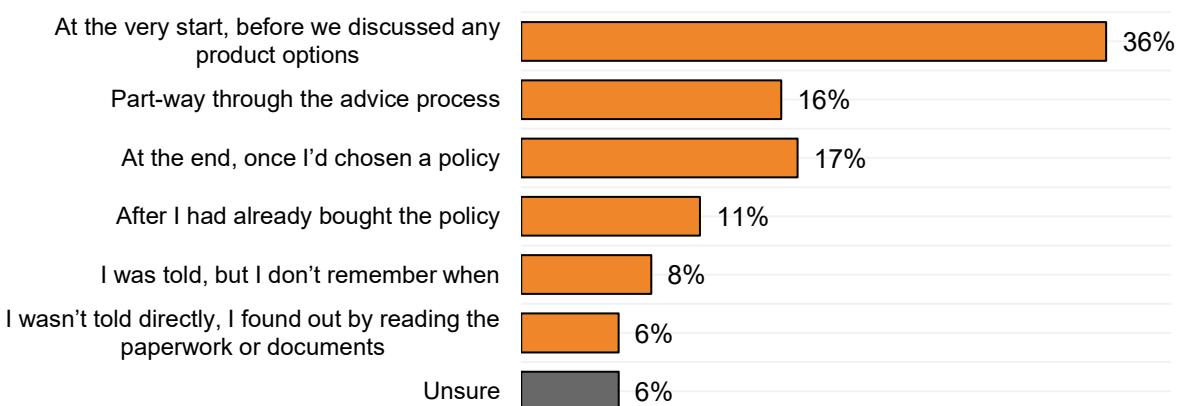
The experiences of respondents who believe commission was paid varied in terms of when they were informed about the payment of commission. Thirty-six percent recalled they were told at the very start of the process that commission would be paid, 16% said they were informed part-way through the process, 17% believed they were told after they chose their policy and 11% after they bought their policy. Six per cent claimed that they found out for themselves after reading the policy documents.

Fig 33. Views on payment of commission:



Q50. Thinking again about the [PURCHASE CHANNEL] you used to buy the cover, how were they paid for the support you received?
 Base: All who purchased a pure protection product in the last 12-months via a specified channel (601), all who paid commission (253)

Of those who paid commission:



Q51. When were you told that your adviser would be paid commission?
 All who paid commission (253)

Amongst the qualitative respondents, commission is not at the forefront of their minds.

“I remember seeing something about commission in the disclosure document, but I didn’t pay much attention.”

(CIC, Life, IP, Recent, Intermediary)

There is limited understanding of how exactly commission works but there is general acceptance it is part of the industry.

“As far as I know the adviser gets a cut when I claim.”

(CIC, Claimant, Intermediary)

However, three of the respondents interviewed questioned whether commission structures influenced the advice given. Respondents are more likely to question the influence of commission if the intermediary was pushy, if they were presented with single rather than

multiple options and when they do not have an ongoing or positive relationship with the intermediary.

5.3. Choosing a policy or provider (products purchased in the last 12 months)

5.3.1. Reasons for trust

Purchasers of pure protection policies in the last 12 months chose their provider and policy predominantly on their level of trust in the brand (41%) and perceived value for money (38%). Trust in the brand was particularly important for those buying Income Protection (47%).

Other important reasons for selection were an easy, convenient option (30%), getting the most suitable cover (30%) and a provider or policy recommended by someone they trusted (27%). Cover and features were particularly important to those purchasing Income Protection and those purchasing Critical Illness.

Recent Critical Illness purchasers also valued a policy recommended by someone they trusted. This reflects the earlier finding that this is the group most likely to say that they did not intend to take out the policy until it was recommended to them.

Fig 34. Drivers of provider and policy choice:



Q55. Why did you decide to buy the policy / policies from [PROVIDER]?
Base: All policies bought in last 12-months (599)

	Term Insurance	Whole of Life	Over 50's Plan	Critical Illness	Income Protection
Trusted brand or provider	40%	35%	37%	41%	47%
Best price or deal	40%	41%	21%	41%	41%
Easy or convenient option	30%	23%	26%	29%	30%
Best cover / features for my needs	24%	31%	14%	35%	36%
Recommended by someone I trust (e.g. adviser, friend)	25%	30%	16%	33%	27%
Already had a product with them	18%	17%	18%	18%	18%
They offered an incentive or vouchers	11%	4%	10%	13%	7%
Offered through my employer or a service I use	13%	8%	1%	11%	10%
Other	2%	1%	4%	1%	1%
Unsure	2%	1%	5%	2%	1%

Q55. Why did you decide to buy the policy / policies from [PROVIDER]?

Base: Most recent purchase – all who bought within the last 12 months: WoL (83), Term (155), Over 50's (77), IP (204), CIC (248)

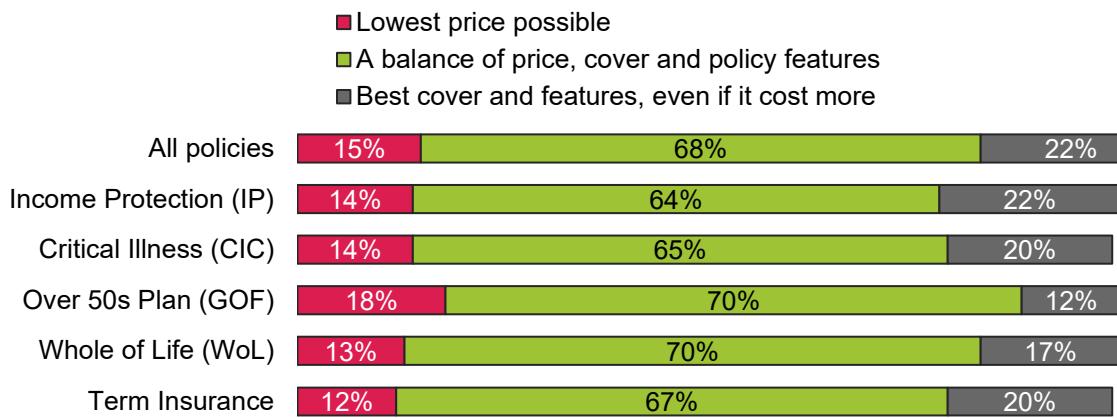
5.3.2. Priorities when choosing a policy

When choosing their pure protection policy, 68% of recent purchasers across all products favoured a balance of price, cover and policy features with fewer selecting best cover and features even if it cost more (22% overall).

Fewer still selected the lowest possible price (between 12% and 18% depending on policy and 15% overall).

Those with a medical condition at the time of purchasing had the same priorities as those who did not have a medical condition.

Fig 35. Purchaser priorities:



Q56. Thinking about the policy / policies below, what mattered more to you when choosing your policy, the lowest price possible or getting the best cover and features?

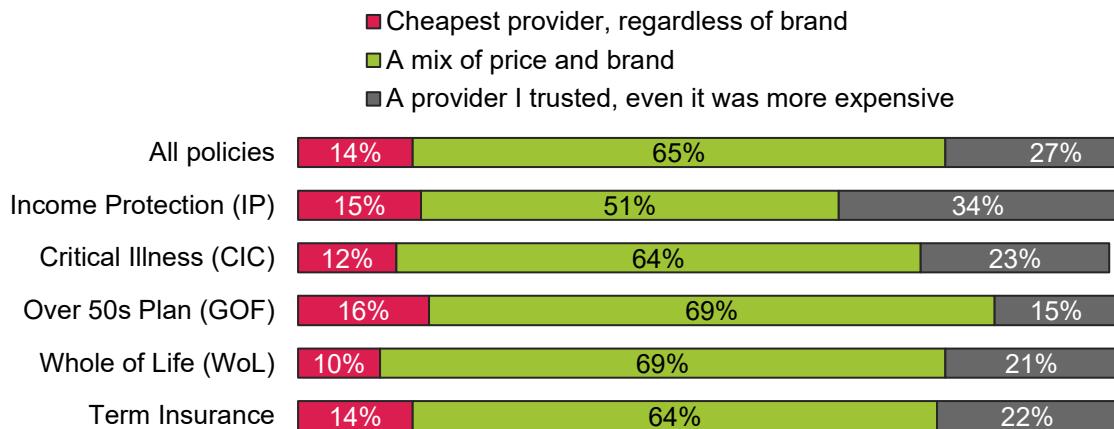
Most recent purchase – all who bought within the last 12 months: WoL (90), Term (166), Over 50's (83), IP (221), CIC (260)

Similarly, when respondents were asked what mattered – the cheapest price or a trusted brand – most chose a mixture of price and brand (between half and two-thirds depending on policy and 65% overall).

This was higher than a provider they trusted even if it was more expensive (between 15% and 34% depending on policy and 27% overall) or, in particular, cheapest provider regardless of brand (16% or less and 14% overall).

Trust in the brand was more important for Income Protection buyers: 34% opted for a provider they trusted even if it cost more.

Fig 36. Trustworthy brand or lowest price? The balance of priorities:



Q57. Thinking about the policy / policies below, what mattered more to you when choosing your provider, getting the cheapest provider or a brand you trusted?

Most recent purchase – all who bought within the last 12 months: WoL (90), Term (166), Over 50's (83), IP (221), CIC (260)

5.4. Reflecting on choices (products purchased in the last 12 months)

When asked to reflect on their choice of pure protection purchased in the last 12 months, respondents are largely positive about the choice/s they made.

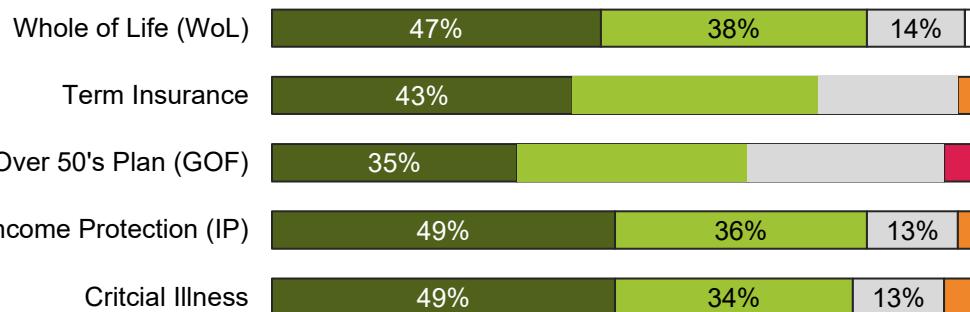
The vast majority (81%) are positive.

However, Over 50s Plan holders are notably less enthusiastic, with only around a third (35%) saying they are very positive, compared with 49% for Income Protection and Critical Illness, 47% for Whole of Life and 43% for Term Insurance.

Regarding the purchase channel, those buying through IFAs are the most positive (54% are very positive).

Fig 37. Feelings about policies purchased in the last 12 months:

■ Very positive ■ Slightly positive □ Neither/nor ■ Slightly negative ■ Very negative



% Rating by intermediary	Bank / BS	IFA / FA	Pen / Ins Provider	Mortgage broker	Ins broker
Very positive	42%	54%	46%	33%	51%
Slightly positive	36%	30%	36%	52%	29%
Neither / nor	15%	15%	15%	13%	14%
Slightly negative	5%	1%	1%	2%	5%
Very negative	2%	0%	2%	0%	0%
NET: Positive	78%	84%	82%	85%	81%
NET: Negative	7%	1%	3%	2%	5%

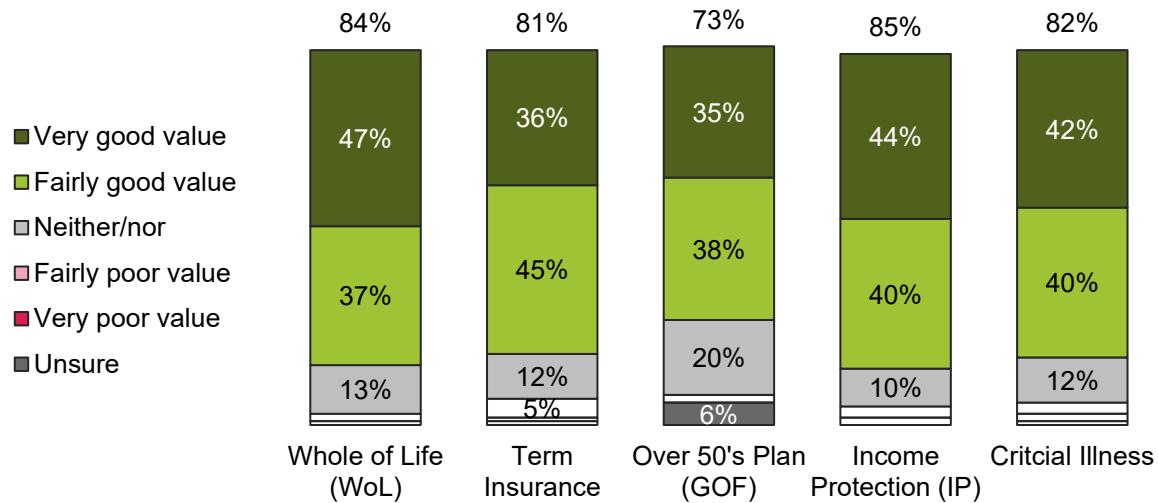
Q46. Thinking about the policy / policies you recently purchased below, how do you now feel about the decision?

Base: Most recent purchase – all who bought within the last 12 months: WoL (191), Term (193), Over 50's (89), IP (257), CIC (317), Bank / BS (78), IFA / FA (107), Pen / Ins Provider (198), Mortgage broker (63), Ins broker (129)

Only some combinations of products and purchase channel can be compared in terms of respondents' feelings about the decision they have made. Amongst those with large enough sample sizes, positivity is highest amongst those buying Income Protection through a mortgage broker (95% positive), Income Protection through an insurance / pension provider (87% positive) and Critical Illness through an insurance / pension provider (86% positive).

More than seven out of ten recent purchasers of pure protection think their policy offers good value for money.

Fig 38. Perceived value for money:



Q66. And thinking about the protection policy / policies you purchased yourself below, how would you rate the value for money you receive?

Base: All who bought in last 12-months: WoL (334), Term (207), Over 50's (96), IP (290), CIC (349)

Those who purchased Over 50s Guaranteed Acceptance Plans are slightly less likely to agree that their product offers good value than purchasers of other types of policies. Nevertheless, almost three-quarters do think it offers value for money.

In the qualitative research, a minority of respondents articulated the view that Over 50s Guaranteed Acceptance Plans do not rationally represent good value as the monthly premiums can quickly outweigh the payout. However, these policies were still seen as worthwhile as they offered peace of mind to the respondent and a windfall for loved ones at a difficult time. The lack of health checks is an important reason for purchasing.

6. Post-sales

This section discusses policy holders' behaviour post-sales, including switching, lapsing and post-sales engagement.

6.1. Policy timescales and cancellation

Amongst those who purchased their pure protection products privately, around half have held them for four years or longer.

One in 10 of the total sample has cancelled or reduced the cover on a pure protection product in the last 2 / 3 years. One in five of those who have purchased a policy within the last 12 months had cancelled a policy, suggesting that these respondents have switched products.

Amongst those who have cancelled in the last 2 / 3 years and purchased a pure protection policy in the last 12 months, the main reasons for cancellation were affordability and changing needs – financial situation changed (18%), found a cheaper policy elsewhere (18%), the policy cancelled was no longer needed (11%), couldn't afford the premium (10%) and the policy was linked to something else that had now ended (9%).

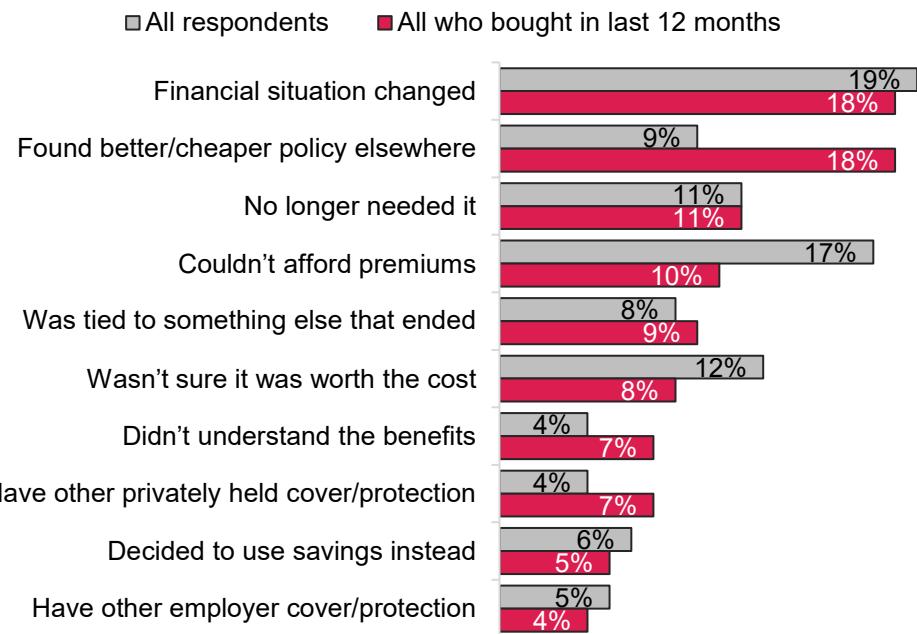
Not understanding the cancelled policy's benefits is mentioned by 7%.

Fig 39. The reduction and cancellation of products:

	All respondents	All who bought in the last 12 months
Yes – Cancelled	3%	5%
Yes – Reduced level of cover	2%	8%
Yes – Both	3%	7%
NET: Yes	9%	20%
No – Not cancelled or reduced cover	56%	77%
I've never privately held any of these	30%	*%
Unsure	5%	3%

S20. In the past 2 to 3 years, have you reduced or cancelled any insurance that would protect your income, your health, or your family if something happened to you?

Base: All respondents (14,326), All who bought in last 12-months (640),



S21. What was your main reason for reducing or cancelling your cover?

Base: All who cancelled or reduced level of cover or benefit: All respondents (1234), All who bought in last 12-months and (128)

Those who have cancelled because they found a cheaper policy elsewhere are more likely to be consider themselves knowledgeable about financial matters than pure protection holders overall, more confident and savvy consumers and more able to engage with insurance product literature.

6.2. Switching policies and lapsing

This section includes data from 31 of the 53 qualitative interviews. Of these 31 interviews:

- 15 were conducted with those who had recently switched policy or provider following a conversation with an intermediary
- 10 were with those who had held their policy for a significant amount of time
- 6 were with those who had recently lapsed their policy

6.2.1. Switching policies

In the qualitative research, respondents reported that the decision to change policies is often event-led and frequently mortgage / house move related. Other life events which could lead respondents to a reassessment of their protection needs include retirement proximity or age milestones, the birth of a child, bereavement and illness and changes in employment. These life events brought protection to the forefront of respondents' minds.

However, there are also examples of respondents switching their policy because of contact from an intermediary. This could take the form of a scheduled review as part of an ongoing relationship and is welcomed. Or it could be an ad hoc check in, to reduce premiums and / or check the level of cover is still appropriate.

However, 3 consumers out of 10 switchers reported pressure or unsolicited contact from intermediaries pushing them to switch, without obvious benefit to them.

“So, every so often I’d get like a random call to say, oh, you should change your Critical Illness or something. They always wanted to just change it, I have a health screen and then I was like, why are you guys always changing it? The policy is fine, and the older policy is covered more in fact than the new newer policies usually. He was always trying to get me to change policy.”

(IP, Switch, Intermediary)

6.2.2. Lapsing

Amongst the qualitative research respondents, lapsing was consumer led, often triggered by the original need for protection disappearing. A lapsed policy is one that has become inactive and no longer provides cover because the policy holders stopped payments. Respondents reported instances of paying-off their mortgage, their children growing up and leaving home or a sudden change in circumstances, such as an inheritance. Lapsing may also be prompted by an inflexible product that does not meet changing needs. Changing jobs and receiving protection products as part of an employee benefit package is also given as a reason for lapsing.

“We came into a substantial amount of money through an inheritance which I decided would provide for us, our children / grandchildren, should anything happen. So therefore, the need for this Term Insurance, was not there anymore. I decided that I would stop paying the premiums. I mean, although the premiums weren’t that high, I thought, well, why, am I paying out for something that I don’t need?”

(Term, Lapsed, Intermediary)

An increase in premiums (often age related) can also cause respondents to question the value of their policy.

Lapsing triggered by an intermediary is unusual. The only example was when a new intermediary reviewed the respondent’s product portfolio and identified duplication / excess cover.

6.2.3. Post-sales engagement

A major issue post-sales is policy holders’ lack of engagement with their policy. Both the quantitative and, in particular, the qualitative research revealed that policy holders’ engagement with their policy and understanding of their cover can drop post purchase.

There are several reasons for this lack of engagement.

For about a third of qualitative respondents, purchasing protection products is a “tick box” exercise and the lack of ongoing contact after the policy is purchased not only contributes to a lack of product understanding post-sales but also to post-purchase disengagement.

“I get the statements, but I don’t read them. I don’t know the details at all.”

(WoL, Held for Sig. Period, Direct)

Most are positive about the decision they made, and this too causes a lack of engagement. Policy holders often feel they have the right policy in place and do not need to think about it until if and when they need to claim.

The lack of a review process also means ongoing engagement is low.

“We haven’t reviewed our policy since we have had it...I haven’t read it for years.”

(WoL, Held for Sig. Period, Direct)

Moreover, illness, injury and death are emotive and difficult subjects. Respondents do not want to dwell on the ‘what ifs’ and consider claim scenarios.

“Once you’ve done it, it’s there as a safety net and you don’t want to think about the reasons you might need it, only if the reasons for you activating them came up. Why would I think about it again?”

(IP, Switch, Intermediary)

Respondents perceive the policies as relatively complex, and this could also be a disincentive as it often felt too difficult to review and reassess their needs.

All these factors mean that the policy sits in the background unless prompted to consider it.

“It was just there chugging along in the background coming out of my account. I would get a letter each year saying that my premium is going up and am I okay. I just mainly wanted to know how much it was going up. The rest of it, I didn’t really care.”

(IP, Switch, Intermediary)

This prompt could be a claim, a change in circumstances (e.g. remortgage, having children, moving home) or a direct debit increasing.

Occasionally there can be an external prompt e.g., annual review with an IFA, seeing articles on Money Saving Expert.

This lack of post sales engagement can create several issues for respondents. These include outdated or insufficient cover, poor recognition of the value of their policy which can lead to cancelling or lapsing, uncertainty and additional stress when claiming and missed opportunities to amend or extend their cover in line with their changing needs.

“I don’t know if £150,000 is enough now... but I haven’t sat down and reviewed it.”

(WoL, Held for Sig. Period, Direct)

“We felt protected at the time. It may not be enough now.”

(CIC, Held for Sig. Period, Intermediary)

“I was worried they would come back with exclusions. I had never claimed before.”

(CIC, Claimant, Intermediary)

7. Experiences of claiming

This section is based on qualitative data only. Of the 53 depth interviews, 8 one hour depth interviews were conducted with recent claimants. Of the 8 claimants, five had claimed on a family member’s policy

As with any insurance, the claims process is viewed by respondents as the ‘moment of truth’.

“The proof of the pudding is in the eating. You only know if the insurer is good when you claim.”

(WoL, Claiming on son’s policy)

7.1. The emotional backdrop

Making a claim was often done at a time of high emotion because of the event that had triggered the need to claim. This was particularly true of respondents making a claim as a result of the death of a loved one and was exacerbated by their lack of awareness, familiarity and engagement with the policy details.

In some cases, there are financial pressures as there is a loss of income to deal with.

“I was under a lot of stress.”

(IP, Claimant, Intermediary)

“I had gone through something horrific.”

(CIC, Claimant, Intermediary)

Respondents’ expectations of the claims process varied. Some expected the process to be straightforward and seamless, whereas others expected it to be burdensome, adding to the stress.

“I was convinced they wouldn’t pay. When they did, I cried with relief.”

(IP, Claimant, Intermediary)

Respondents were typically uncertain about the claims process – how long it would take, what documents they would need to support their claim and how payments would be made.

In some cases, amongst those claiming on their own policy, limited engagement with their policy post-sale meant respondents were not sure what was covered by their policy

"I didn't look at the exclusions properly. I didn't realise pregnancy wasn't covered."

(IP, Claimant, Intermediary)

Therefore, respondents' claims process often began with a call to check cover and the process:

"I didn't read anything. I just rang them, and they told me what it included."

(Over 50s, Claiming on family member's policy)

"I wasn't sure about, how long does the claim take to process? What exactly do I have to give them? Can I send it through email, or can I send it by post? Do I have to provide a hospital report? Do I have to provide police report? I wasn't sure about that one because a friend had to provide a police report when her dad died suddenly at work."

(CIC, Claiming on family member's policy)

In one instance, this lack of understanding of cover delayed one respondent's claim for over a year:

"I thought I must have misunderstood. I had no idea I actually had Critical Illness Cover. I'd been calling for 14 months, and nobody told me I had it!"

(CIC, Claimant, Intermediary)

The stress that respondents experience was exacerbated when the claimant was not the policy holder. Respondents recalled that feelings of uncertainty and the intensity of emotions were heightened when a family member was claiming on a loved one's policy. Not only were respondents dealing with their own grief, but they were also coping with the administrative burden that follows the death of a family member. Claiming on an insurance policy was not always the priority. For example:

"I'd Googled all the things you need to do, all the people you need to advise. We organised a funeral, told all friends, advised all the banks and stuff, and so actually by the time I was claiming on the life policy, because I knew it wasn't a huge amount, it wasn't top of my list to get to. It probably took me a month in total to work down this Excel spreadsheet so by the time I got round, a few weeks or a month later to doing the Life policy, I was just basically in admin mode by that time."

(Life, Claiming on father's policy)

Awareness and understanding of the family member's policy also varied between respondents. A claimant could come across the policy whilst sorting through their loved one's affairs and with no prior knowledge of the policy's existence:

"I didn't know he had it"

(Over 50s, Claiming on father's policy)

Others were involved when the policy was set-up and so were closer and more aware of the detail.

7.2. The claims process

The claims process itself could be uncertain and predictable for respondents, featuring both highs and lows, but most were satisfied with the final outcome.

Reporting the claim

Reporting the call was a stressful event for many of the 8 respondents interviewed.

However, claimants reported that an initial call that is well handled by the insurer did quickly reassure. These initial calls were most reassuring when expectations about the process and the next steps were clearly communicated and set out.

“They were very helpful...they break it down for you.”

(CIC, Claimant, Intermediary)

Respondents considered empathy on the part of the claim handler essential at the time of reporting the claim:

“They were compassionate...at the time you don’t want to be chasing anything.”

(Over 50s, Claiming on father’s policy)

“They were very sympathetic. It mattered at that moment.”

(WoL, Claiming on son’s policy)

“Speaking to them made it easier, you are not just another number.”

(Over 50s, Claiming on father’s policy)

“I think the personal touch of actually speaking to someone makes it a lot easier. It’s reassurance that it was handled there and then instead of sending an email, waiting for someone to read it, getting an email back to say, thank you for this, someone will read it in the next 24 hours. Or this is now in our system, you have to wait and we’ll get in touch with you.”

(Over 50s Claimant, Claiming on family member’s policy)

Respondents reported that this was a distressing time if the requirements were arduous and the evidence appears difficult to submit. Respondents commented on lengthy forms, repeated requests for (and the requirement for multiple types of) evidence, and complex paperwork made claiming emotionally and practically taxing.

“The forms were enormous...I couldn’t understand why I had to prove everything again.”

(CIC, Claimant, Intermediary)

“I was stressed and overwhelmed...the NHS couldn’t give me the paperwork.”

(CIC, Claimant, Intermediary)

“It was all very vague ... I was shocked, exhausted and scared and then having to prove everything again.”

(IP, Claimant, Intermediary)

Requests to send documents by email or recorded delivery (especially originals) felt for some like a burden at this stage in the journey.

“It was very stressful. I was a bit overwhelmed with having to send across things and then they [insurer] wanted something to show that I’d been in hospital in A&E but unfortunately you can’t get anything from them. I asked the wards multiple times.”

(IP, Claimant, Intermediary)

“When I phoned them, [insurer] I got sent a bunch of forms to fill in. One form was for my consultant, another for me and another was I guess some sort of declaration. Overall, there was about 30 to 40 pages worth of forms to fill in.”

(CIC, Claimant, Intermediary)

The option to upload documents into a secure online portal was preferred to sending documents by mail.

Verification and updates

This was another point of potential tension in the journey. Regular and proactive updates from the provider were particularly important if there were delays with third parties such as employers, GPs or hospital consultants.

Some respondents experienced limited updates from their insurer and had to initiate contact to find out progress of the claim.

Settlement

Respondents were generally satisfied with the settlement, and this tended to overshadow any problems experienced during the process. It is once the claim is settled that respondents often said they recognised the value of the policy.

However, some remained unclear about the settlement decisions particularly in relation to partial payments.

7.3. The factors that make a positive claims experience

Based on the experience of respondents, a positive claims experience depended on compassionate, understanding and attentive call-handlers and setting expectations at the outset particularly around timescales and documentation / evidence required. Speed in the process and payout and timely updates were also important along with a clear explanation of the settlement decision.

Respondents' experiences suggest low post-sales engagement can have a negative impact on respondents when claiming, leading to delays and additional stress at an already stressful time.

Glossary

Sample: 14,226 sample of adult aged 18 plus with online access and a representative sample of 100 Over 50s Guaranteed Acceptance Plan Holders

Pure Protection: pure protection products are designed to help an individual and / or their dependents with existing financial commitments or lifestyle adaptations if the policy holder dies or becomes incapacitated, injured or infirmed. They include Term Insurance, Critical Illness cover, Income Protection and Whole of Life insurance including Guaranteed Acceptance Over 50s Plans and Death in Service

Pure Protection Holder: hold any of above products either purchased individually or as part of an employee benefits package. Policies held as part of an employee benefit package include Death in Service which is only available as an employee benefit

Pure Protection Non-Holder: hold none of these products either privately or as part of an employee benefit package

Purchased in the last 12 months: privately purchased one or more of the following policies in the last 12 months - term insurance, whole of life, critical illness cover, income protection and guaranteed acceptance over 50s plans. It excludes any policy held as part of an employee benefit package and unit linked or with-profits whole of life policies. NB. This cohort is also referred to throughout the report as 'recent purchasers'

Purchased policies at the same time in the last 12 months: bought two or more policies at the same time not just within the same timeframe

Whole of Life Insurance: life insurance that is guaranteed to pay out whenever you die provided you keep paying the premiums

Term Insurance: term life insurance or term assurance is life insurance that provides cover at a fixed rate if death occurs within a specific period of time

Critical Illness Cover: critical illness cover pays out a lump sum if you are diagnosed with a specified illness covered by the policy during the term of the policy

Income Protection: income protection pays you a regular income if you are unable to work because of sickness or disability

Over 50s Guaranteed Acceptance Cover: this is life cover for over 50s. It can be taken out without answering any medical questions and acceptance is guaranteed. The policy pays out a guaranteed lump sum on death, no matter how long you live

Death in service: death in service in an employee benefit. It pays a tax-free cash lump sum if the employee dies while on the company payroll

Life insurance: when we refer to life insurance in the slide pack it includes Term and Whole of Life but not Over 50s Guaranteed Acceptance Plans. When we are discussing the penetration of pure protection products amongst the total sample, the term 'Life' includes Term Insurance, Whole of Life, Over 50s Guaranteed Acceptance Plans and Death in Service, both those bought

privately and held as an employee benefit. When we are discussing the findings relating to policies held privately, 'Life' refers to Term Insurance and Whole of Life only.

Cover purchased privately: policy set up by policy holder as opposed to a policy provided by an employer as an employee benefit

Cover arranged through employer: policy provided by employer part of an employee benefit package as opposed to being set up by the policy holder

Buy Direct: buy a policy directly from the insurance company

Professional support: assistance provided by firms to consumers, including advice

Intermediary: professional or firm who connects individuals and businesses with insurance providers to help them find and buy suitable policies

Insurance broker: an independent expert who works for the client to find suitable insurance policies from various insurance providers at the best price. This includes protection specialists

Mortgage broker: a professional who acts as an intermediary between a borrower and a mortgage lender to help secure a mortgage. In the context of pure protection, mortgage brokers also sell pure protection policies

Independent Financial Adviser (IFA): a professional who offer specialist advice on investments, pensions, insurance and other financial products to clients

Characteristic of Vulnerability: circumstances associated with four key drivers of vulnerability that may indicate a consumer is especially susceptible to harm, particularly when a firm is not acting with appropriate levels of care

Low financial capability: respondents who rate their knowledge of financial matter as low or strongly disagree that they are a confident or savvy consumer of financial services

Low resilience: adults who have low savings, are in financial difficulty or find that keeping up with domestic bills is a heavy burden

Negative life events: events that have occurred in the last 12 months and include bereavement, an income shock (e.g. losing their job or a reduction in their working hours that they did not want), a relationship breakdown, or becoming the main carer for a close family member. It also includes those who have experienced financial abuse by their partner or a family member in the previous five years

Poor health: respondents are considered to have poor health if they have a condition or illness expected to last 12 months or more and reduces their ability to carry out day-to-day activities 'a lot'



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