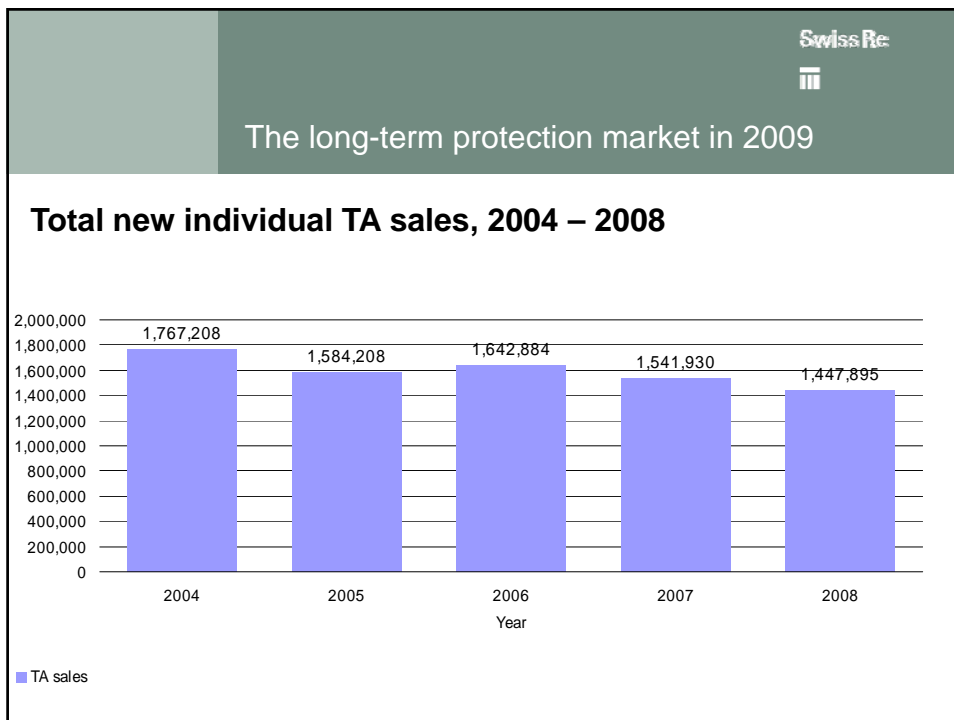
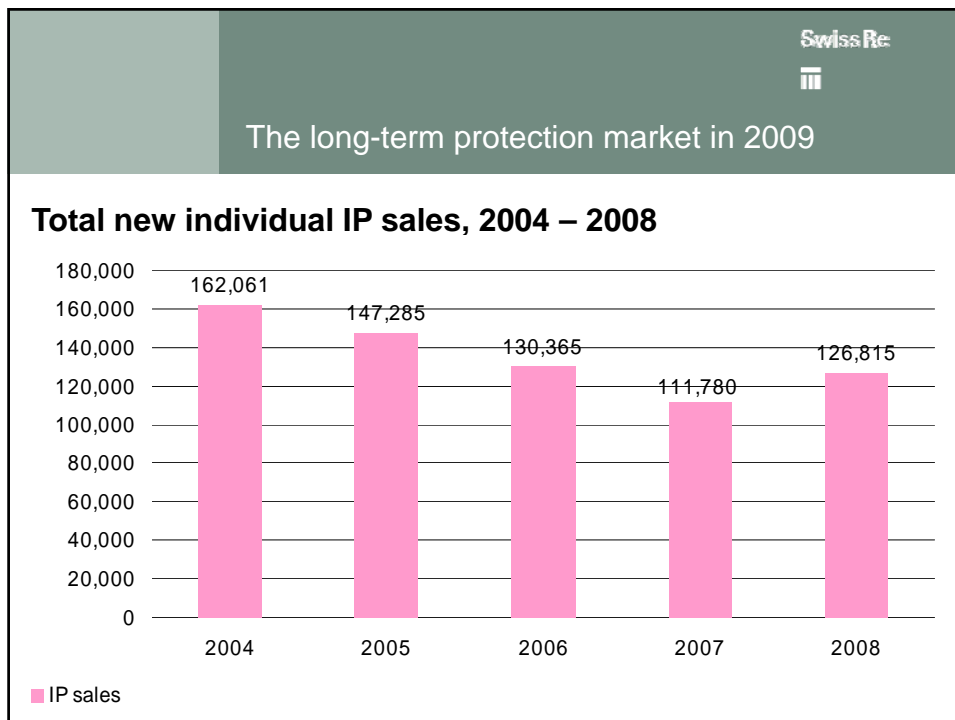
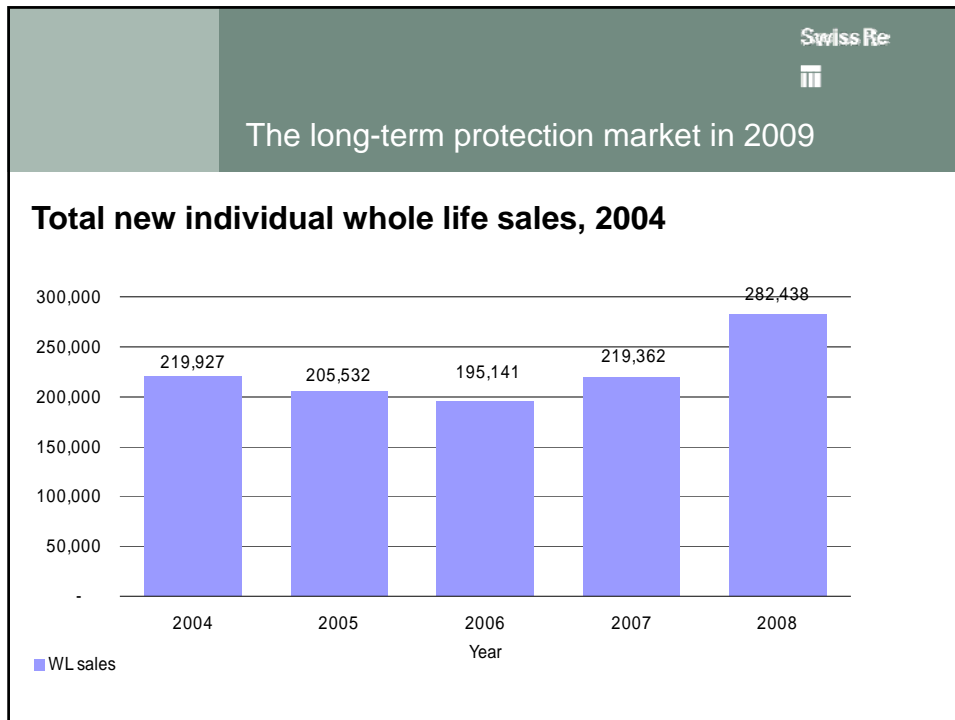





What will happen within the Life Assurance World?
Ron Wheatcroft





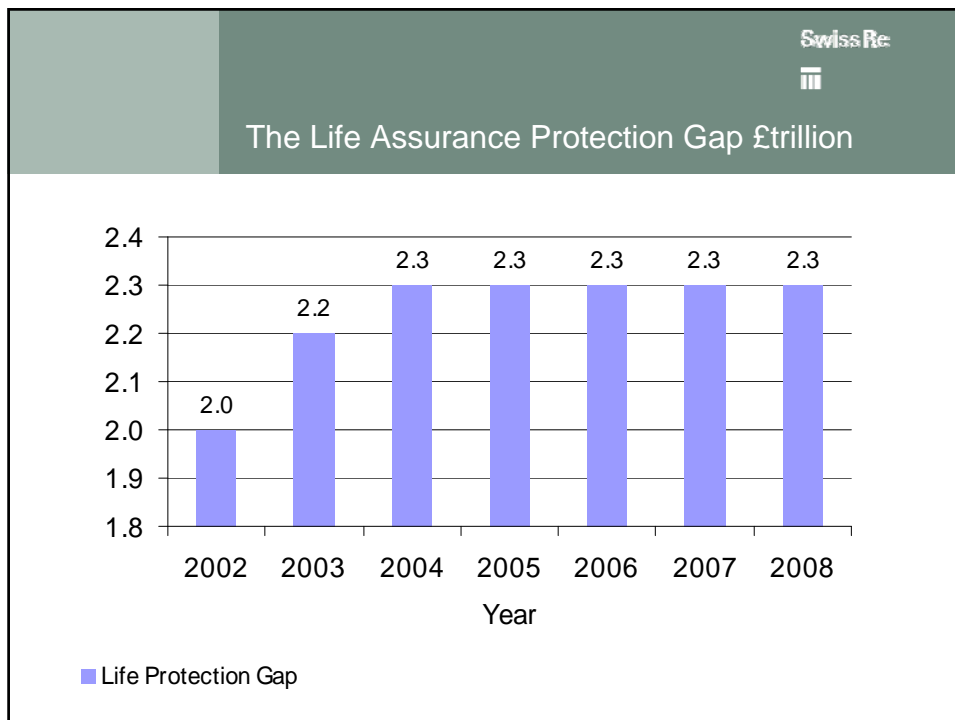


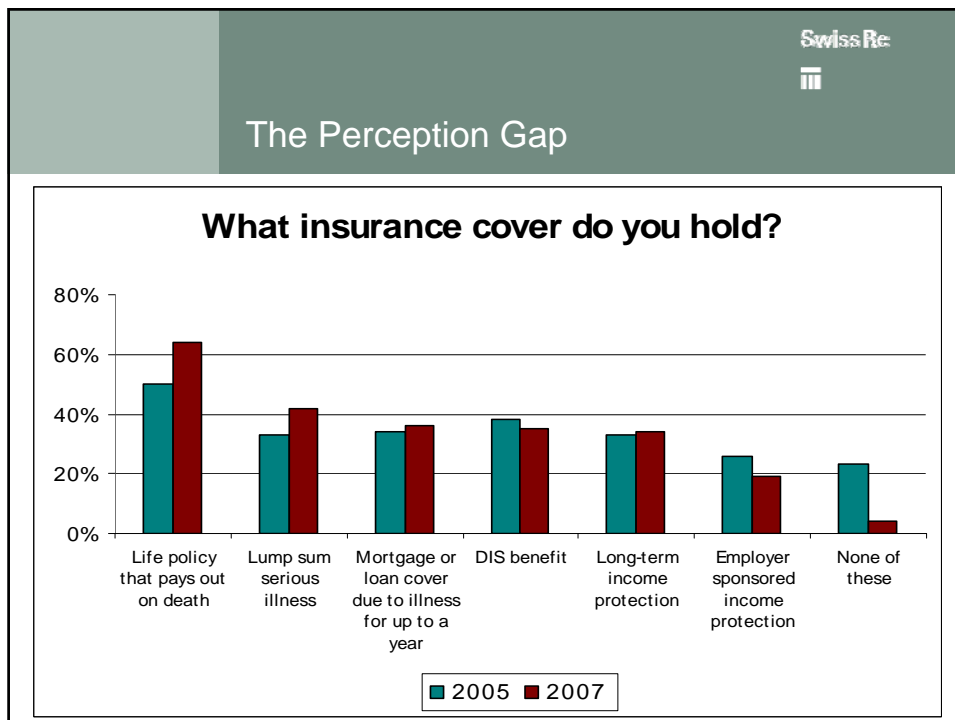
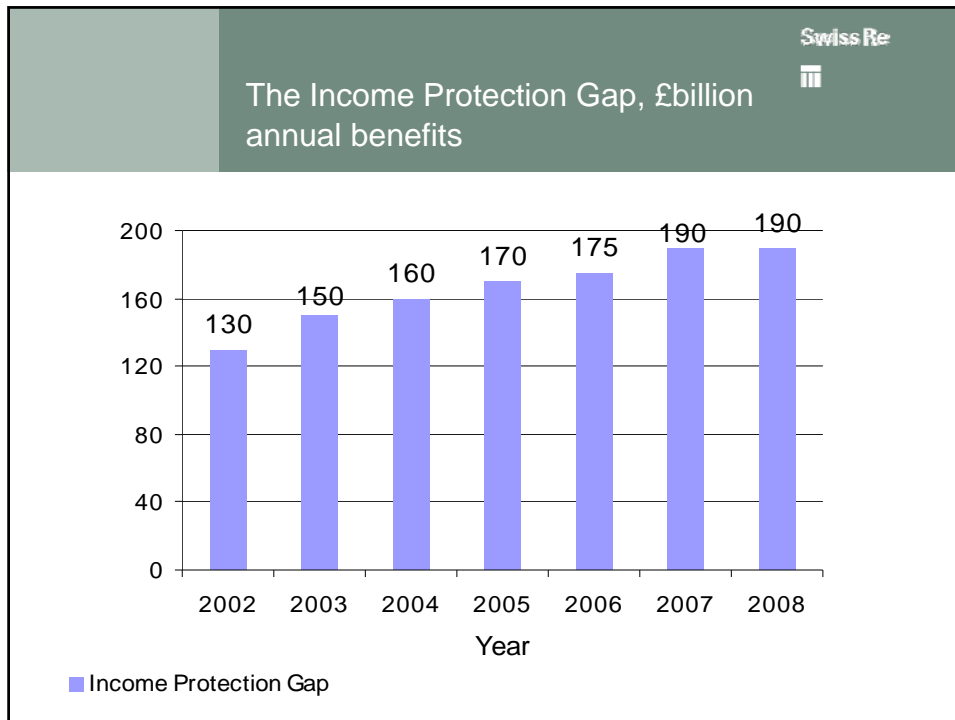
The group risk market in 2009


In-force premiums at the end of 2008

	In-force premiums £	% growth 2007/08
Death benefits	945,210,629	3.8
Income protection	648,902,366	1.2
Critical illness	45,403,103	22.0

Total market premiums increased by 3.1%

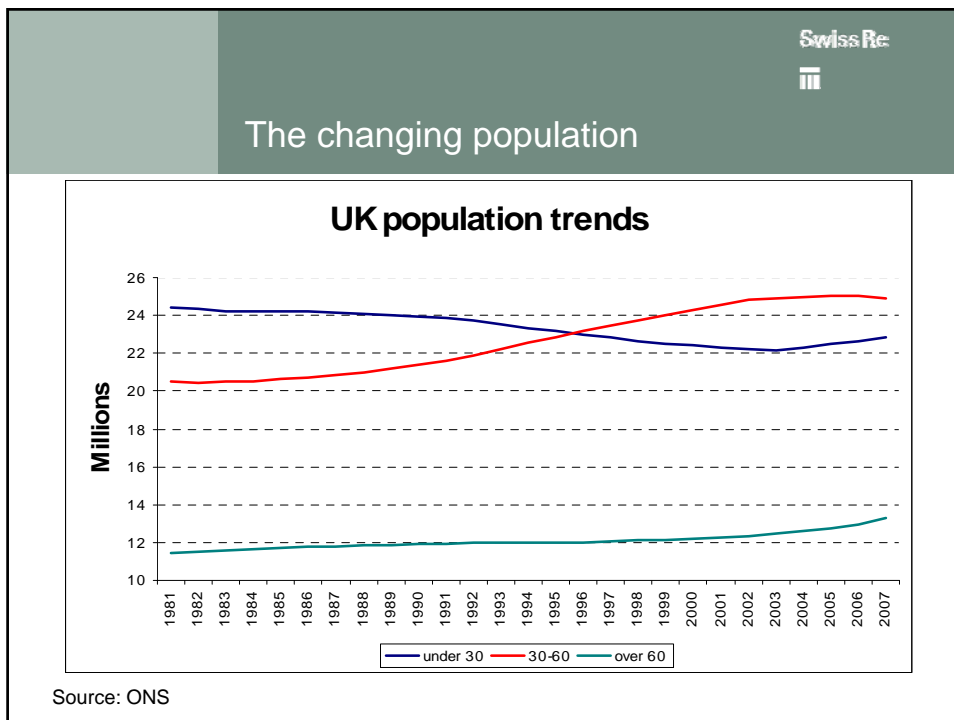








Key points / challenges


- lack of awareness of needs
- limited understanding of products and what they do
- confusion between products – PPI/PMI/IP/MPPI etc
- poor communication of employee benefits
- lack of distributor brands

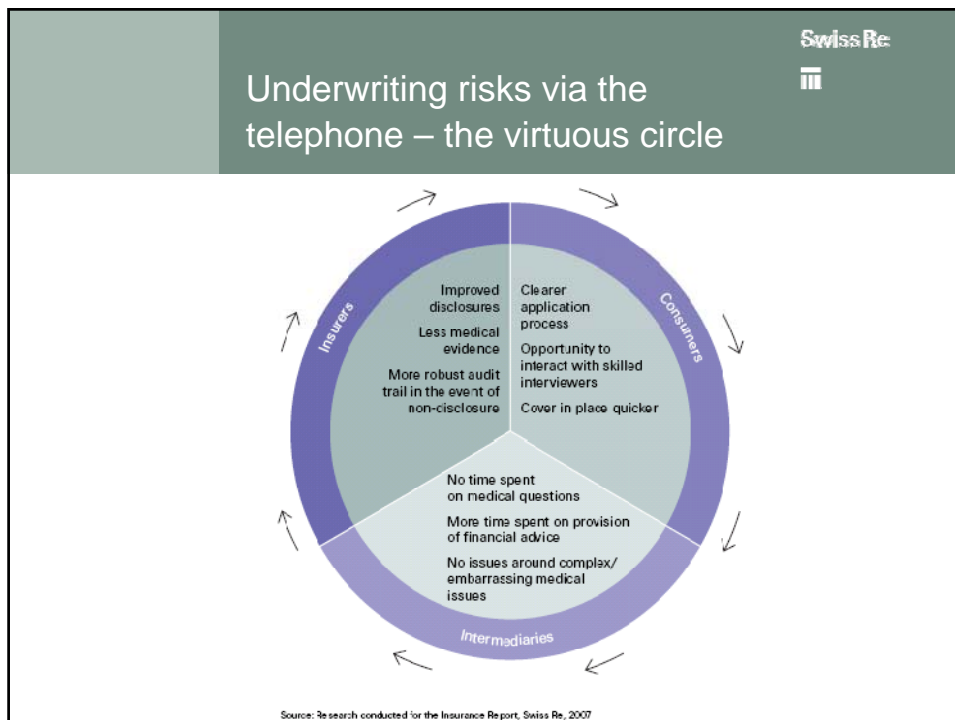
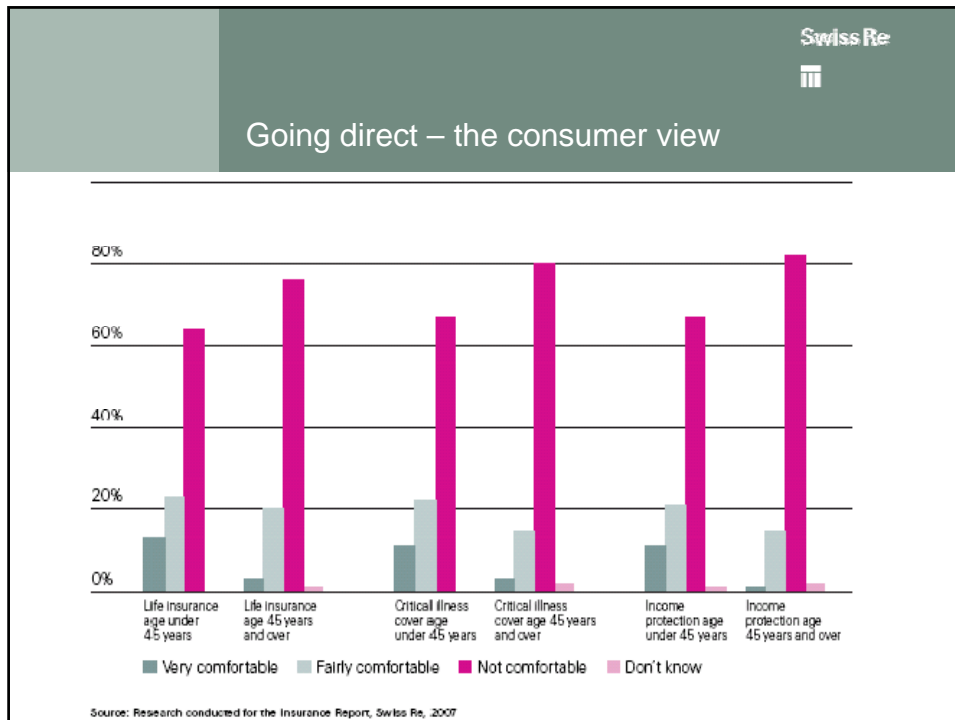



	 Meeting the changing needs of the consumer
	<p>“ We are regularly reminded that forty is the new thirty and fifty the new forty and so on. This affects the demand side of protection insurance. It suggests that life cover may be purchased at a later age than has traditionally been the case and may expire at a later age. It also suggests a greater need for living benefits, especially when considered alongside increasing longevity.”</p> <p>Source: The Insurance Report. Life at the crossroads, Swiss Re, 2007</p>


	 Facing the challenges of an ageing population
	<ul style="list-style-type: none"> ■ costs of pension provision increasing ■ greater need for long-term care ■ role of the State likely to come under pressure ■ individuals need to provide more for their own retirement income and health needs ■ later start to working life ■ family/parental responsibilities in later life ■ later/phased retirement ■ the demise of the concept of retirement? ■ pensions v protection – achieving a balance ■ the likely impact of equality legislation <p>Past performance is not necessarily a guide to the future!</p>

	 Consumer buying preferences – the role of intermediaries?
	<p>“... further discussions with product providers indicate a very significant growth in the number of new non-advised protection sales coming from directly-authorized intermediary firms whose business model is very different from the traditional advice-led proposition. These firms offer consumer brand propositions which are based more around price and speed of service rather than being led by advice. We estimate that the amount of such business could be at least 20% of all sales from directly regulated IFA/independent firms.”</p> <p>Source: Term & Health Watch, Swiss Re, May 2009</p>

	 Consumer buying preferences – the role of the intermediaries?
	<p>“The number of IFA firms will fall to approximately 10,000 by 2013 due to the Financial Services Authority’s proposals in the Retail Distribution Review (RDR).”</p> <p>Source: Ernst & Young, February 2009</p>



	 Tele-underwriting
	<ul style="list-style-type: none"> ■ Law Commission reform proposals – strengthening the case for tele-underwriting ■ linking tele-underwriting to direct/on line applications ■ building and utilising data for risk pricing – lessons from non-life business <p>The successful organisations will be those which embrace technology in their risk assessment and use it to refine and develop their pricing basis.</p>

	 Communicating better with the end consumer – work in progress
	<ul style="list-style-type: none"> ■ promoting the need for protection better – IPTF, CPIEC, GRiD ■ the role for Money Guidance ■ establishing consumer-friendly access points to information and advice