



Protection Insights Report 2026 part I

Challenges, opportunities, regulation and policy

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WHY WE PRODUCED THIS REPORT

Financial advisers and planners, mortgage advisers and specialist protection advisers perform a vital role on behalf of their clients helping them secure their health, earnings and wealth through protection insurance. This important work provides clients with peace of mind that they, their families and in some cases businesses too, will be financially protected if the worst was to happen.

Given this essential role within retail financial services and in clients' lives, we believe it is important that advisers' views are heard more clearly on a host of issues relevant to the protection sector and to broader society.

Amplifying adviser voices

The PDG membership is made up of distribution firms in a variety of shapes and sizes which provide protection advice to consumers. We decided to organise and conduct a wide-ranging survey to collate their views of the market to produce this Protection Insights Report, which we hope will be used to improve customer outcomes: the key driver for our organisation.

Different types of employees within our member organisations have contributed to this survey, including principles and advisers as well as their colleagues who all help their respective businesses write protection. We were keen to better understand (and quantify) their views on a wide range of subjects including how they believe clients view protection, their views on how to grow the market, what they feel to be the barriers to selling more protection and the role of artificial intelligence.

Putting protection at the heart of the debate

With so much of the policy and regulatory debate involving protection in one way or another, we have also asked advisers for their views on many of these debates including the ongoing and much-anticipated final report of the Pure Protection Market Study. Yet we have also asked more general policy questions, because often the answer or part of the answer to challenges for society and the economy involves protection in some way. You might sum this up by saying we want to engage externally and not become too inward looking. Protection is part of the broader picture,

and we want to emphasise that and add advisers' thoughts and insights into these important debates.

The future of the market

We have also asked advisers for their views on the future of the market and the challenges to continuing to grow it. We hear a lot from providers and indeed from high profile adviser leaders and practitioners. At the PDG, we welcome and encourage this input. It's all grist to the mill. Yet we believe including, publicising and inputting the views of advisers across the different types of distribution – the people who, after all, talk to clients everyday – can help us get a much better understanding of the challenges facing the sector and help us find ways to grow the market and get more people covered, so they and their families can benefit from the remarkable benefits getting protected can bring.

We want to thank all the advisers who took part in the survey – we know you are busy so thank you for your time and for sharing your expertise and experience.

We also want to thank Space, who helped us research the appropriate questions, collate the answers and compile this report.

Finally, we hope the report provides some insight and provokes some thoughts that you hadn't had before and welcome any feedback whether critical or supportive.

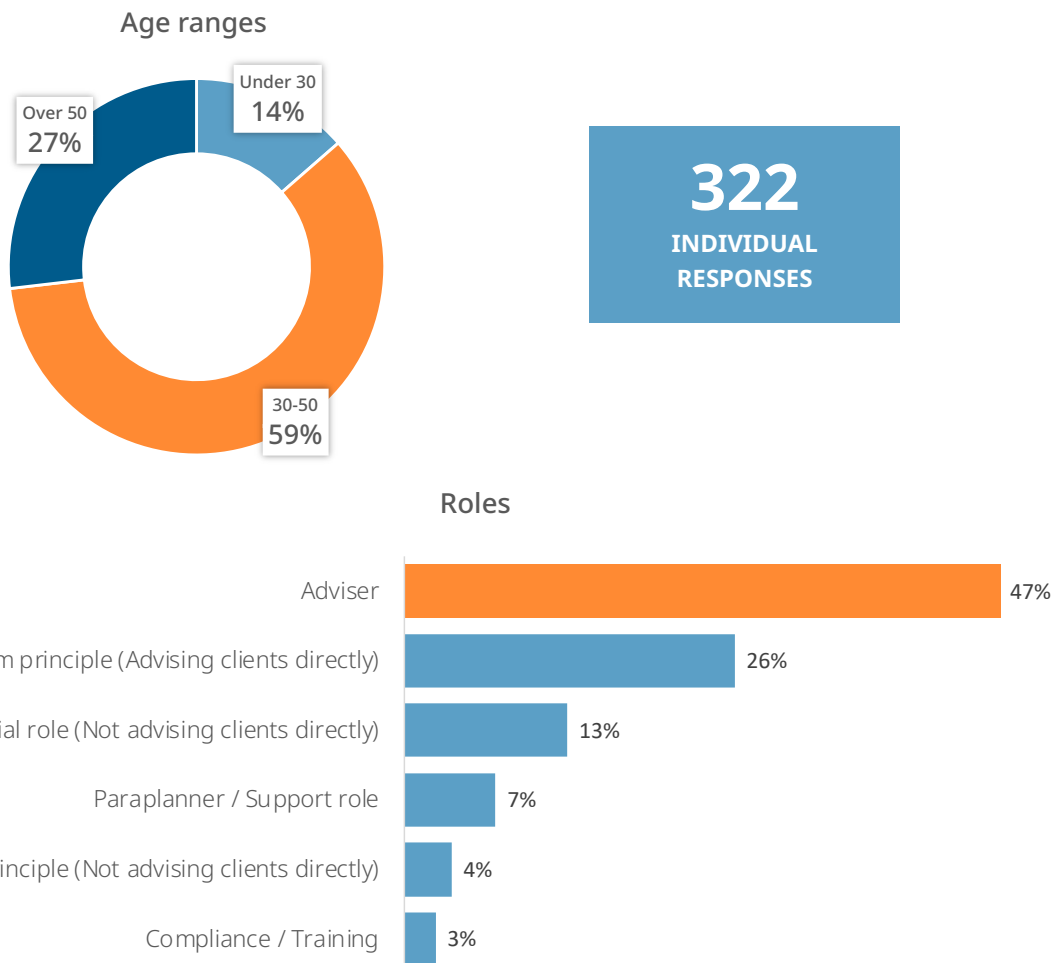
RESEARCH APPROACH & PROFILE OF PARTICIPANTS

Having put our heads together for several weeks debating the appropriate questions within the PDG and with individual adviser, consultancy and journalistic input as well, we conducted the survey in October 2025.

We surveyed advisers from all the firms which comprise the PDG membership. We asked a wide range of questions covering, among other subjects, the future of the protection market, client attitudes, barriers to recommending more protection, views on some of the component firms within the market, product features, price and value, ancillary services, the cost-of-living challenge and regulatory and policy developments.

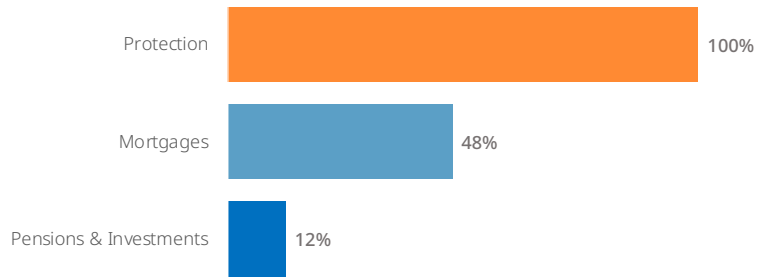
In Part II, published in a few weeks' time, we will look at advisers' views on the use of Artificial Intelligence (AI).

We received responses from 322 professionals across financial advice, mortgage advice and specialist protection advice. We present the statistics as percentages representing the collective views of advisers in the sector, including, of course, where opinion is divided.

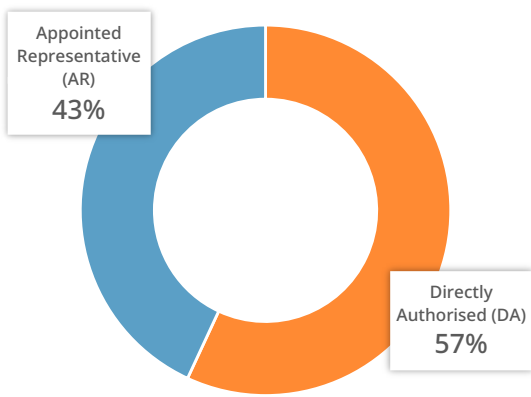


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REPRESENTED

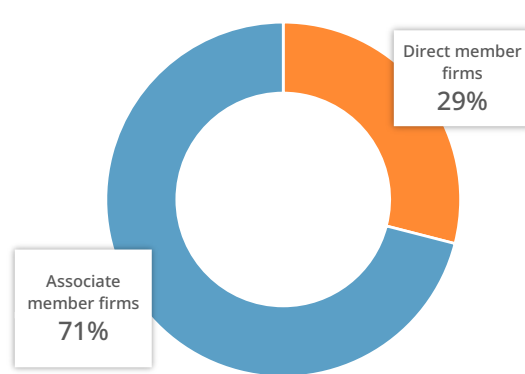
Types of advice or support offered



Regulatory authorisation



PDG membership



For some questions, we also cut the data based on age and regulatory status for some questions and carved out some answers from principals of firms as well. We have included short commentaries placing some of the statistics in the context of market developments while highlighting some of the more surprising findings.

- We have usually chosen to round up percentages so some totals could appear to make just below or above 100% and where questions allowed two or more answers to be selected, it will add to significantly more in some cases.
- The next stage in the process is your feedback. We will put together a further short response while also incorporating your views into our future work.

THE TEN BIG STATISTICS

1

When asked to rate the biggest barriers for advisers, of those who perceived a barrier, **59%** selected delays to underwriting.

2

74% of protection advisers believe that pensions being brought into IHT will drive more sales of life insurance.

3

89% of respondents say the trend for more income protection sales will continue for the next 5 years.

4

66% of advisers surveyed think 'wealth advisers' do not recommend enough protection.

5

69% of advisers consider Consumer Duty has been positive for our market. Others are concerned about how well it has been implemented, indicating there's more work to be done to improve outcomes.

6

41% of protection advisers say annual protection statements are essential and **28%** very important.

7

30% of firm principals are worried about a heavy handed approach from the FCA in the wake of the market study.

8

68% of respondents see 'tight budgets' as the biggest challenge for clients beating the **40%** selecting a belief among clients that they will not need to make a claim.

9

75% of respondents say the welfare burden could be reduced if more was done to demonstrate to the public that buying protection products is an alternative to reliance on state benefits.

10

A combined **49%** of respondents from directly authorised firms would support an increase in premiums if it led to better service, underwriting and products with 40% supporting a 10% increase and 9% a 20% increase. A clear majority of ARs are opposed.

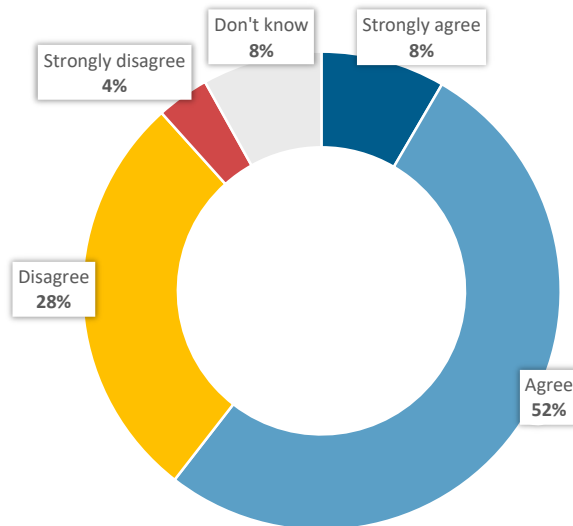
RESULTS IN FULL AND BRIEF ANALYSES

SECTION 1 MARKET CHALLENGES AND PREDICTIONS

Sector gets thumbs up on cost-of-living challenge

Q. Do you agree that the protection sector has adapted well to clients' cost of living challenge?

We asked respondents how well they feel the sector has adapted to the cost-of-living challenge, given it has been one of the dominant themes of the past four years, at least. Advisers showed broadly positive sentiment with 60% feeling positive about how the protection sector had adapted to the challenge, with 32% holding a negative view strongly or to some degree.

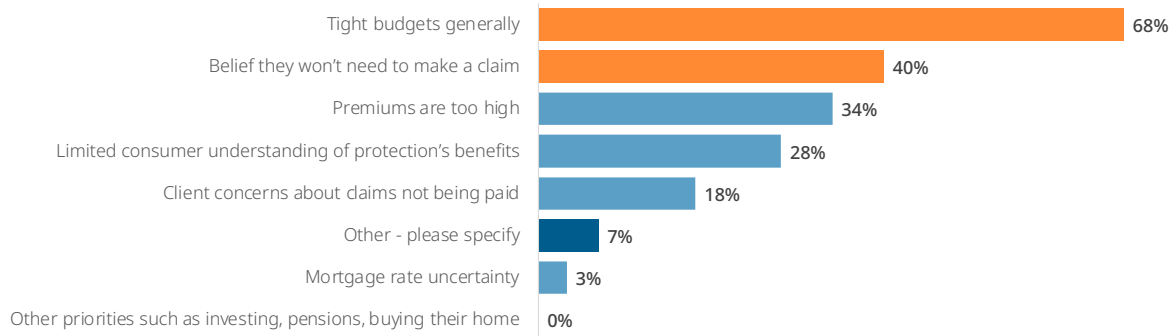


Tight budgets for clients

Q. What are the biggest challenges in getting customers to want to buy protection? (We are seeking to understand what you feel to be the biggest barrier to a client accepting your recommendation of protection.)

With this question and the next, we wanted to understand adviser opinions of the barriers to the growth of the protection market, first asking respondents to think about this from the point of view of clients, then to give their own opinions, so from a related but different angle.

For the first question, where advisers could select two options, the impact of the cost-of-living comes through very clearly.



- The value for each option is reflective of the frequency it was selected. (i.e. out of a total of 200%, since each respondent selected their top two challenges)

The most popular answer by far is 'tight budgets for clients' with 68% selecting this answer, significantly beating the 40% who selected a belief among clients that they will not need to make a claim with 34% selecting the high level of premiums, 28% citing limited client understanding and 18% selecting concerns among clients that claims might not be paid. After years of industry work to build confidence among consumers that such claims will be paid, does this relatively high 18% finding indicate that we need to keep reinforcing that message?

Just 3% selected mortgage rate uncertainty which is perhaps a little surprising, given the widely held view that rate changes can have an impact on protection sales because it impacts clients' budgets.

Key quotes:

"Some of the protection offerings out there are extremely complicated, even for a 33-year, seasoned veteran like me."

"Many people simply don't believe in insurance - 'it'll never happen to me' attitude. They just simply don't want to pay for it."

*"Health concerns waiting for investigations, they want to take protection too late sometimes *when they get ill"*

"Online systems giving clients the impression they know all they need to and don't need spoken advice."

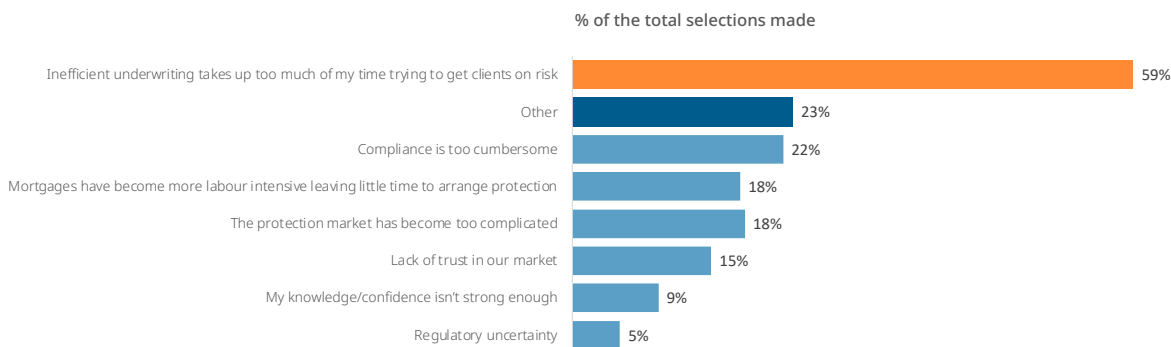
"Belief they won't need protection and they are fit and healthy"

"Medical conditions not going to be covered."

Underwriting delays – a big adviser concern

Q. What is stopping you from writing more protection?

When advisers were asked about what is stopping them (i.e. not from the client point of view), there is a clear signal of frustration with inefficient underwriting. Of those who perceived there to be barriers (198 of respondents) 59% selected “inefficient underwriting taking up too much of my time trying to get clients on risk” far outstripping the next most frequent selection. Some 22% said compliance was too burdensome, with 18% selecting the mortgage process being too labour intensive and 18% protection having become too complicated.



- Respondents selected as many of the challenges as they thought applied to them. (Excludes responses from those who selected that nothing was stopping them writing more protection)

We feel this should serve as a wake-up call for insurers looking to win more market share or more importantly, to help our market grow. It's an issue our members have been concerned about for over a year as it's hampering their efforts to get clients covered who aren't able to get accepted through insurers' straight through processing systems. We appreciate delays obtaining evidence caused by an over-stretched NHS are contributing to this problem, but we'd like to see creative approaches to address this issue rather than leave clients at risk.

However, based on the overall total of 322 respondents, 35% of advisers were a lot more bullish saying nothing was stopping them selling more protection.

Key quotes

“Sometimes a client's health can be a massive stumbling block.”

“Clients awaiting minor medical procedures on the NHS.”

“Client apathy and size of premiums needed to cover the large mortgages.”

“Increasing costs of customer acquisition”

“Clients who seem very eager spend a lot of time going through information and providing quotes etc. who then just drop off the face of the earth; can only assume price issue.”

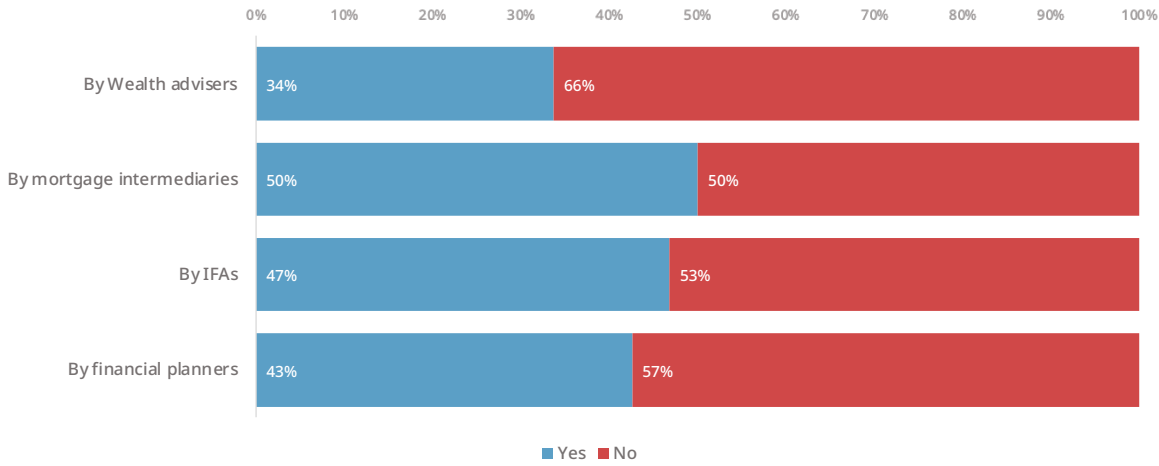
“Client’s belief in the product and the willingness to put money aside to protect themselves.”

“Insurers still not providing good platforms for writing insurance and access to existing policy data.”

“Clients fully understanding the value of the products.”

Our sample thinks wealth advisers and financial planners should sell more protection

Q. Advisers use a range of designations to describe themselves. With these in mind, do you think protection is given enough priority in the advice process?



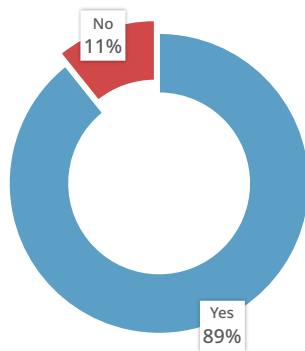
We wanted to understand our respondents’ attitudes to other categories of adviser, and their perceived willingness to advise on protection. 66% of our sample suggest wealth advisers do not give it enough priority. The figure for financial planners is 57% and for IFAs 53%. Half feel that mortgage advisers do not give protection enough priority.

This may indicate a perception amongst protection advisers that some of other designations and adviser types do not give enough consideration to protection. The big question for the whole sector is how to convince more advisers to make protection more of a priority or least convince them to signpost clients.

Advisers convinced IP boom will continue

Q. Sales of Income Protection rose 10% in 2023 and a further 18% in 2024 (according to Swiss Re) Do you think this trend will continue over the next 5 years?

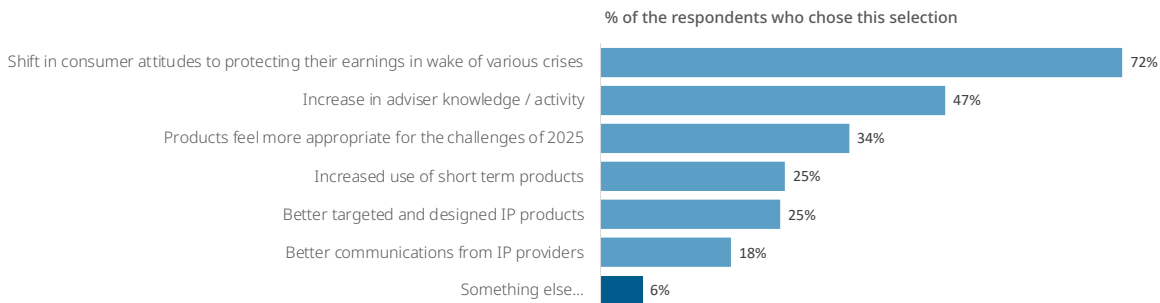
Respondents believe the trend for more IP sales will continue for the next five years with 89% agreeing and just 11% disagreeing. This is very much a prediction for the future. Yet advisers are well positioned to get beneath the surface of such trends due to their day-to-day client contact. It certainly provides some food for thought for industry strategists and marketers.



IP sales trend follows shift in client sentiment towards protecting earnings after crisis years

Q. Thinking about this rise in IP sales, please give us your views on why you think this has occurred?

We allowed advisers to choose as many replies as possible for this question, but there is a clear ‘winning’ answer: 72% of advisers identify a big shift in consumer attitudes to protecting their earnings following the trials and tribulations for everyone since the pandemic. 47% selected an increase in adviser knowledge, 34% that the products feel more appropriate to 2025’s challenges, while 25% selected the increased use of short-term products. We can see that advisers are putting some thought into understanding this trend.



- Respondents selected as many of the challenges as they thought applied to them
- The quotes highlighted below are generally from where advisers were asked to add their answers, where they did not make another selection.

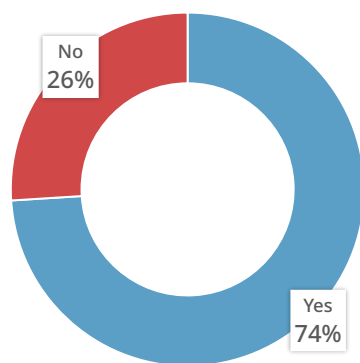
Key quotes

- “Since Consumer Duty came into place by the FCA in 2023, mortgage advisers (as well as protection and general insurance etc.) are more compelled to discuss Insurance as a duty of care as opposed to a second thought.”*
- “I believe people are worried about what state help will be offered and how difficult it may become to actually get it and not relying on state benefits as much as previously due to increase costs of living and benefits not being enough to cover their costs.”*
- “Younger generation is more cautious.”*
- “The gap people now have between their income and outgoings has lessened, meaning less of a cushion to fall back on/ the ability to save.”*
- “IP has been proactively marketed as the main thing every house needs. decent advisers now start with this although the sourcing can be confusing to newer advisers.”*

Pensions IHT change should drive life sales

Q. Do you expect to recommend more life insurance given the fact that pension investments are being brought under inheritance tax?

We know government plans to include pension investments in people’s estates for calculating inheritance tax come into force in April 2027. There have been discussions, ever since the policy was announced, that it could drive increased sales of life policies. We await some more technical details, but we felt this was an opportune to moment to test advisers’ opinions.



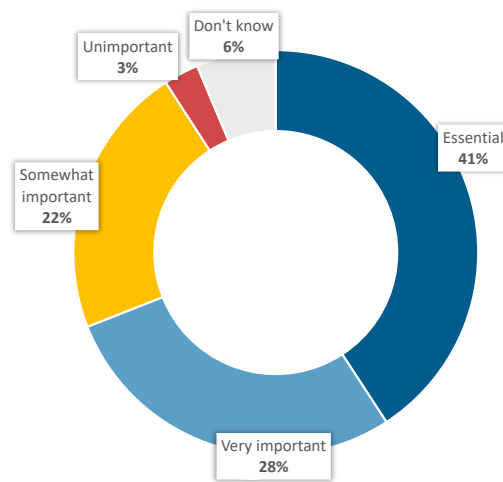
- Results reflect just the proportion of respondents who reported making recommendations for life insurance

Just under three quarters or 74% believe they will be recommending more life policies. This is, of course, a prediction for themselves, not a view of the market in general. It likely indicates that the sector should prepare for more life insurance sales in the run up to and after the 2027 change.

SECTION 2 SERVING POLICYHOLDERS

Huge support for annual statements

Q. How important is it that insurers issue an annual statement to policyholders that includes cover details as well as information about added value services and the need to review cover in the event of changing circumstances?



The question arguably received the most resounding answers in the whole question set with 41% saying an annual statement is essential and 28% saying statements are very important, while 22% say such statements are somewhat important. Just 3% say such statements are not important with 6% 'don't knows'.

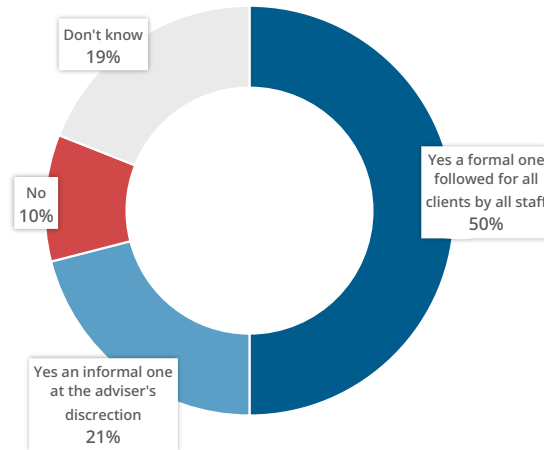
“The PDG has long advocated the benefits of annual statements. They help to ensure policyholders are reminded about what cover they have in place, and importantly, what they can claim on. The best annual statements also include details about added value services that can be utilised, clear messaging on the importance of reviewing cover, signposting back to the appropriate adviser for further advice and information about putting life plans into trust. They help to keep consumers engaged and informed. We want to see all insurers offer them on all policies.”

– Emma Thomson, PDG Chair

Advisers mindful of clients in financial distress

Q. Do you have a specific policy or approach to contact/help clients who may get into payment difficulties, such as missing a premium?

We asked respondents whether they had a set approach to clients who get into payment difficulties and 35% said this was the case, with 30% saying that they had an informal approach.

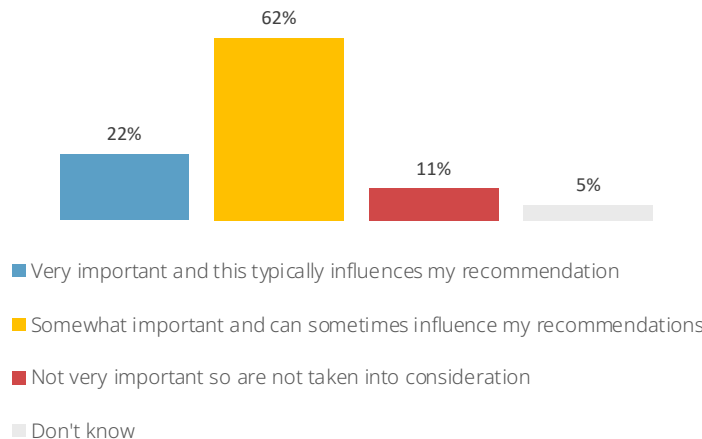


When we looked at the response from those working for full PDG member firms (i.e. not associates) 50% had a formal approach and 21% an informal one (See chart above).

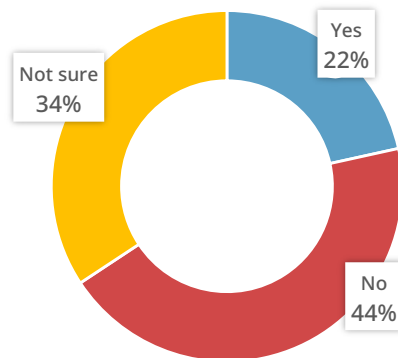
These represent significant percentages, but some might suggest there is more to do, given the continued cost-of-living situation and the fact some high-profile protection advisers continue to urge their peers to adopt a more formalised approach. Is there more work to be done to spread ideas about best practice on this issue?

Additional services bring significant value

Q. How important are an insurer's added value services (GP 24/7, counselling etc.) when making recommendations?



Q. If added value services became contractual, do you think consumers would be prepared to pay extra?



Respondents value the added services and support offered alongside many protection products with 62% saying these recommendations are somewhat important and 22% very important. Just one in ten respondents do not see these additional services as important.

This is something of a vindication of such services perhaps with implications for insurers' marketing approaches to advisers and indeed communications in support of advisers when communicating with clients.

One factor to consider when advisers are making recommendations is that most of these benefits are not contractual, which likely will have influenced some of the answers given.

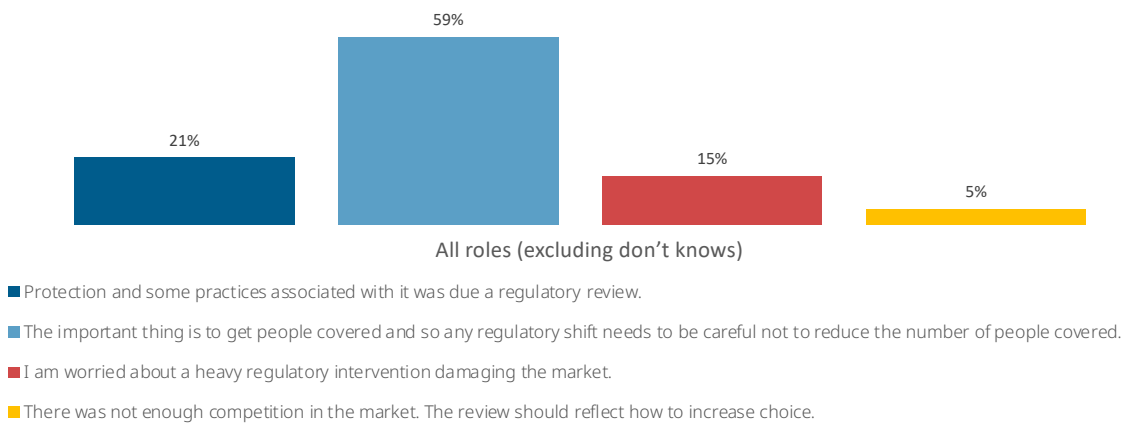
Our broad sample of advisers was less certain about customers' willingness to place these services on to a contractual basis and charging more for them with 44% of respondents suggesting clients would be against, 22% in favour and 34% unsure.

When we looked at the numbers for principals, we found that 61% find these services to be somewhat important, and 21% very important so very close to wider population. In terms of making these services contractual, 39% of principals believe customers would not be prepared to pay extra while 26% said they believe clients may be willing to pay more, slightly more than the overall response from respondents.

SECTION 3 REGULATION AND POLICY

30% of principals had worries about a heavy Pure Protection Market Study intervention

Q. Which of these descriptions best sums up your view of the protection market study?



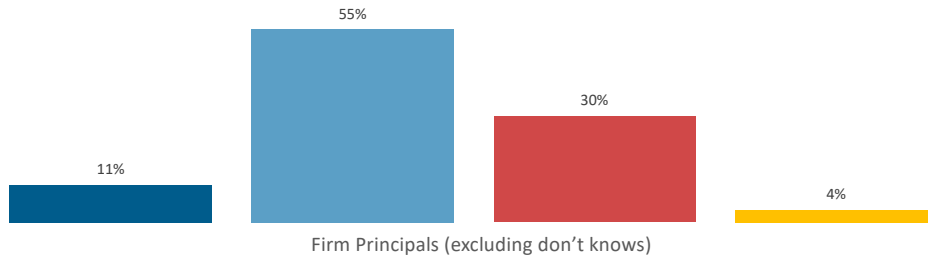
For the Pure Protection Market Study, we decided to analyse the findings in several ways. First, we looked at the views of our respondents in total excluding don't knows, but we also drew out the views of principals and in general they have more concerns about the study, than the broader sample. We also divided the sample between those working at directly authorised firms and at appointed representatives.

Of those with a view, across the whole group, 59% suggested the important thing is to get people covered, 21% agreed with the suggestion that protection was due a regulatory review, 15% were concerned about a heavy, regulatory intervention, while just 5% felt there was not enough competition.

Around 38% of the overall total of respondents felt that they did not know enough to comment. We are now in the final stage of the review – the regulator has stressed it will not be making fundamental changes, but it is asking serious questions about market practice. Do we need to convince more advisers to engage with the process?

We also looked at the views of principals of firms (see below), who may have a different frame with which to think about regulation. Here we see that 30% of principals were worried about too heavy a regulatory intervention (excluding don't knows), with 55% saying the important thing was to focus on is getting more people covered while 11% felt the protection sector was due a regulatory review.

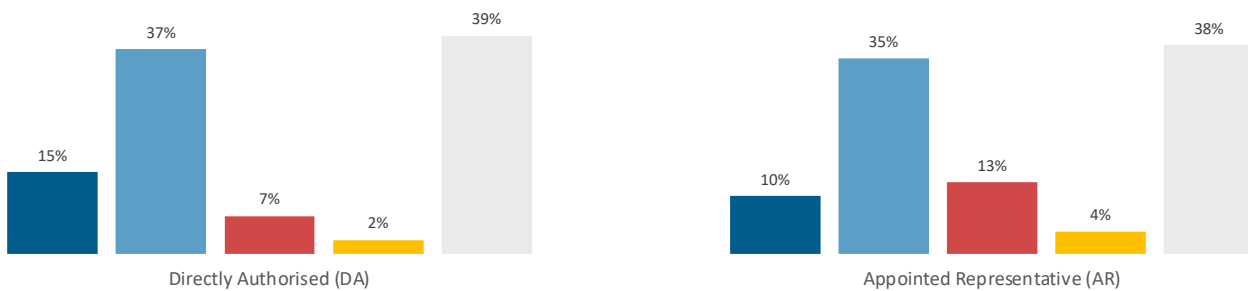
With the FCA's interim report now published, but the work ongoing, it'll be interesting to see how member views evolve over the coming months.



- Protection and some practices associated with it was due a regulatory review.
- The important thing is to get people covered and so any regulatory shift needs to be careful not to reduce the number of people covered.
- I am worried about a heavy regulatory intervention damaging the market.
- There was not enough competition in the market. The review should reflect how to increase choice.

We also split the answers to see if there were significant differences between directly authorised and appointed representative advisers. Generally, we found differences of only a few per cent but we would draw attention to 13% of appointed representative being more worried about a heavy intervention compared with 7% of directly authorised businesses.

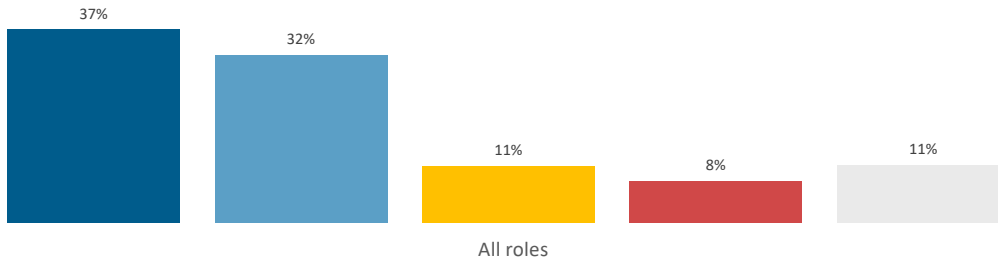
Some 15% of DAs believe the sector was due a regulatory review compared with 10% of ARs. For the graphs below we include 'don't knows'. There is clearly a broader issue with adviser understanding regardless of regulatory status.



- Protection and some practices associated with it was due a regulatory review.
- The important thing is to get people covered and so any regulatory shift needs to be careful not to reduce the number of people covered.
- I am worried about a heavy regulatory intervention damaging the market.
- There was not enough competition in the market. The review should reflect how to increase choice.
- I don't know enough to comment

Advisers say Consumer Duty has made things better for clients

Q. What do you think the impact of consumer duty has been on consumers who speak to an adviser?



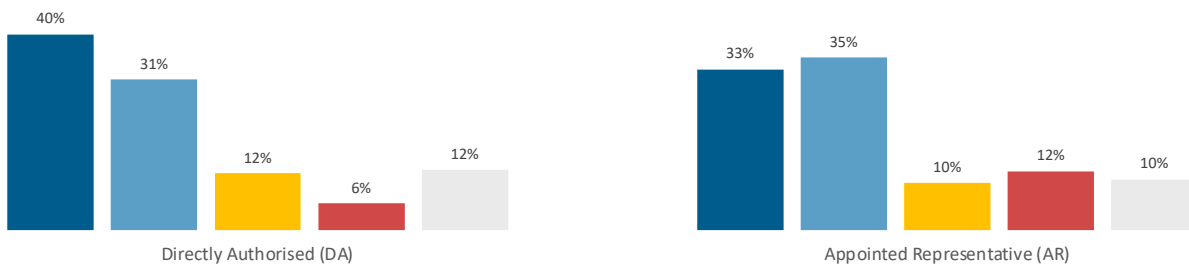
- Very positive: consumers are getting the protection advice they need from our market and advisers are more knowledgeable
- Somewhat positive: it's increased focus on protection and am optimistic this activity will continue to grow
- Not very positive: too many wealth and mortgage advisers are still ignoring protection by not writing or referring but am hopeful the regulator will step in to ensure this changes
- No impact: It's made no real difference in terms of getting more consumers the protection they need and I don't think this will change
- I don't know

This is a big vote of confidence for Consumer Duty with advisers generally believing it has benefited their clients. Some 37% see it as very positive and 32% as somewhat positive a combined 69%, but 11% are negative and would like to see wealth managers and mortgage advisers required to pay more heed to protection while 8% see no impact.

As we can see a little later, principals are less enthusiastic though a big majority 63% is still happy with the duty.

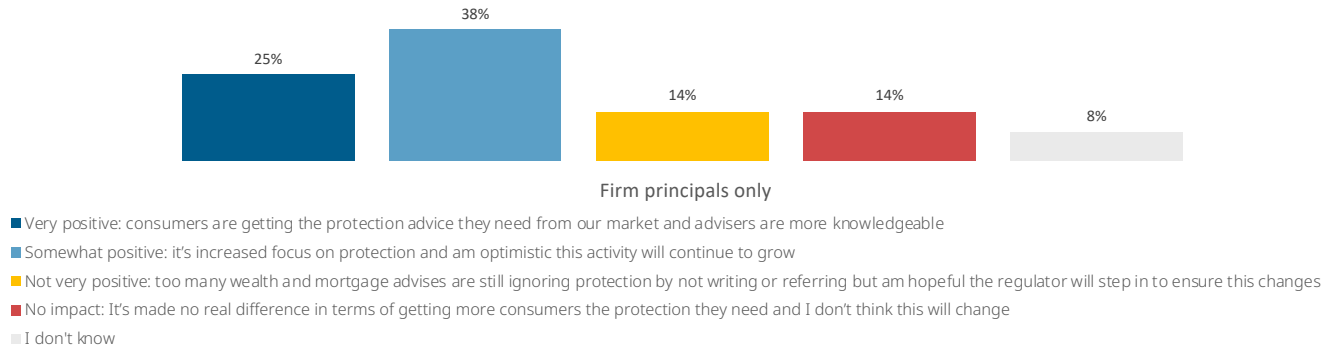
Again, we broke down these answers by regulatory status given it is an important regulatory issue. There is a reasonably significant divergence with 40% of directly-authorized firms being very positive, around 7% higher than their appointed representative counterparts.

The FCA's Pure Protection Market Study interim report highlighted a clear concern about the ongoing 'protection gap'. Ensuring Consumer Duty is being fully embraced across the market regarding protection needs will help to address this issue.



- Very positive: consumers are getting the protection advice they need from our market and advisers are more knowledgeable
- Somewhat positive: it's increased focus on protection and am optimistic this activity will continue to grow
- Not very positive: too many wealth and mortgage advisers are still ignoring protection by not writing or referring but am hopeful the regulator will step in to ensure this changes
- No impact: It's made no real difference in terms of getting more consumers the protection they need and I don't think this will change
- I don't know

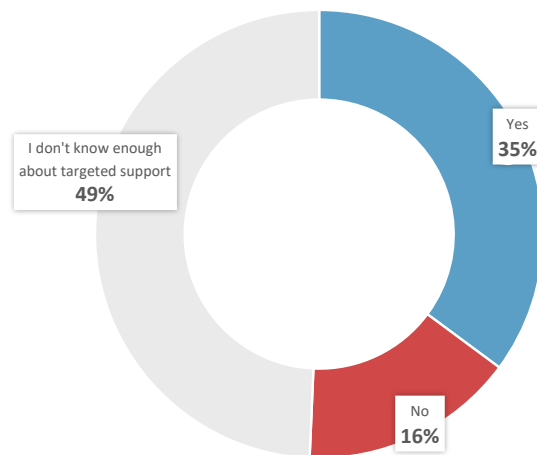
We also looked at the views of principals for this question. There is less enthusiasm but still a relatively positive response with 25% very positive and 38% somewhat positive with 14% negative and 14% believing it had no impact.



Targeted support should include protection

Q. The FCA's Targeted Support proposals (creating a new 'advice' channel from next year and sitting between guidance and full financial advice) currently only has pensions and investments in scope. Do you think this should also include Protection?

A big chunk of advisers feel they are not sufficiently familiar with targeted support to give a view - at 49% - but, we would suggest that is not surprising, given protection is not in the FCA plans.



If we take out the 'don't knows', then the breakdown is 69% in support of including protection, against 31% not in favour.

For principals, the figures are 34% in support, 22% against, so still a big majority of those answering, but with a substantial number of 'don't knows' on 44%.

What's clear is that awareness of these proposals is very low, but for those who are aware, there is support for protection to be included. The PDG has spoken informally to insurers about this issue with similar findings. We are therefore pleased to see the FCA may re-evaluate this position as it seeks ways to address the protection gap following publication of the Pure Protection Market Study interim report.

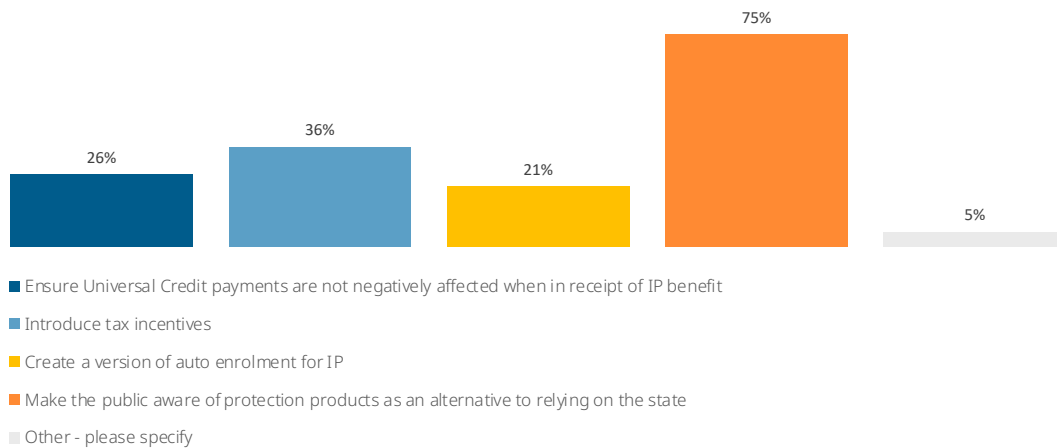
Advisers say more public understanding of protection could reduce welfare burden

Q. Government is keen to get more people off benefits. How do you think more consumers can be encouraged to buy protection, reducing the burden on the state?

Part of our rationale for conducting this survey is to ask advisers for both their industry specific views but also to consider advisers' view on nationally important issues. Hence this question. Advisers certainly believe protection could help with 75% wanting to see more done to demonstrate to the public that being protected can reduce reliance on the state. Perhaps ministers seeking a more resilient workforce and society more generally, should pay heed.

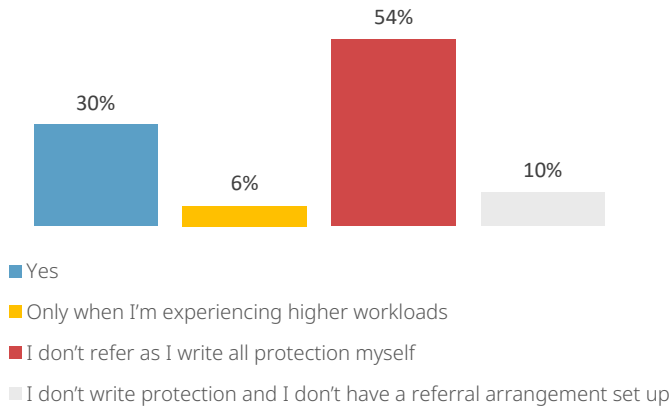
“Sir Charlie Mayfield’s ‘Keep Britain Working’ review identified the ‘economic inactivity crisis’ driven by ill health and barriers to working. The review highlighted the importance of vocational rehabilitation to help more people stay in work. Our market offers a wealth of rehabilitation support as well as products that reduce reliance on the welfare state. I’m therefore feeling cautiously optimistic that the Mayfield Review will lead to better engagement between government and our industry, resulting in more people benefiting from the valuable support we can provide. Mayfield has clearly outlined that action must be taken by both government and businesses to solve this crisis, and we are a key part of the solution.”

– Roy McLoughlin, PDG board member

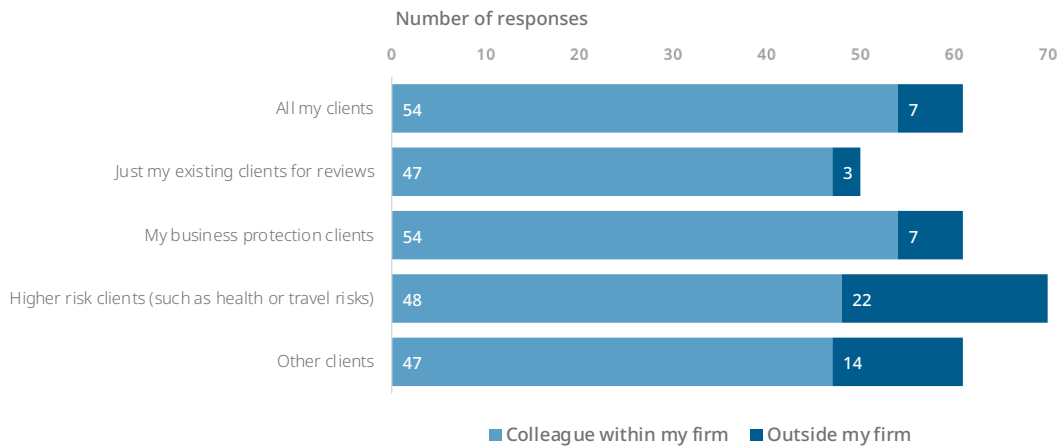


Signposting

Q. Do you signpost any clients to others to help them get protection in place?



Q. If yes, which types of clients do you signpost to?

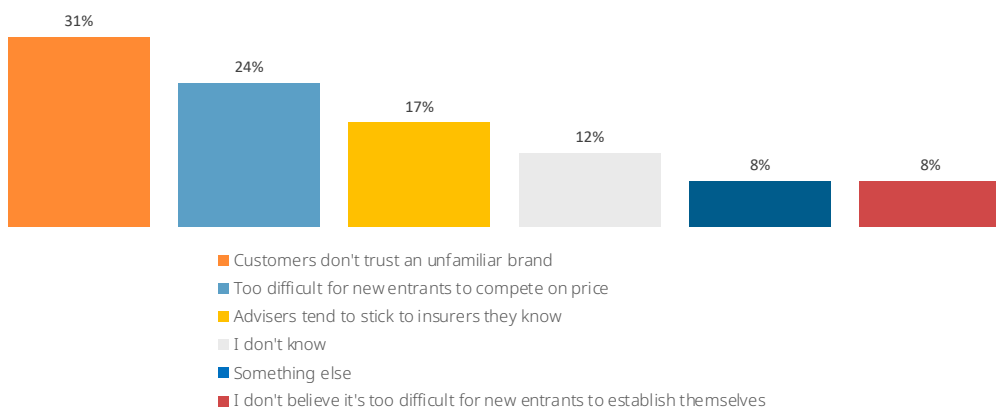


Just short of 30% of advisers are signposting protection and, as the second table shows, the most popular reasons were because clients were high risk or for business protection, though the norm was for referral within firms. It is interesting that six percent say they signpost during times of high workload, perhaps suggesting that signposting could help more firms better manage in times of high demand? Given our pool of respondents are typically protection writers, it's encouraging to see that even within this group, they recognise the value of referring to someone who is more expert in certain areas to ensure clients get good advice.

SECTION 4 PRICE, VALUE AND CHOICE

Advisers frank about barriers to new entrants

Q. It's been suggested that it is currently too difficult for new providers to establish themselves in the protection market. What do you think is the primary reason behind this?



Our respondents gave us significant insight with their answers to this question. The top selection is that clients don't trust unfamiliar brands at 31%, with 24% saying it is too difficult for new entrants. 17% say it is advisers themselves sticking to familiar brands. Just 8% said that they don't believe it's too difficult a market to enter.

Key quotes

"The market is becoming increasingly limited, especially with recent buyouts. Larger providers have the flexibility to remain competitive on price, whereas new entrants would likely struggle to gain traction — particularly without impacting claims, which could make it nearly impossible to establish a sustainable offering. There is only one provider that has successfully broken through, thanks to their unique and innovative approach to handling claims".

"It's a mammoth task to compete with the current insurance giants. In addition, if another company was to come in and do well, it would probably be bought up by one of the giants anyway".

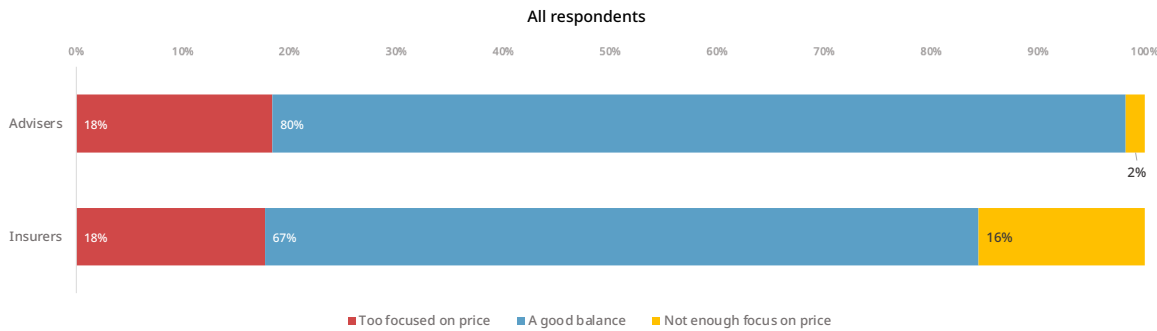
"There is a combination of factors; brand trust is huge, so any new providers will struggle. Also in my opinion protection premiums are too low, which makes it an unappealing market for new providers."

"Lack of claims stats can put customers off as the rest of the market can produce them whereas rules prevent new insurers from stating them until they have 5 years of stats to base them on."

"Price cutting by the biggest insurers."

Advisers think the price quality balance is right, but principals less satisfied

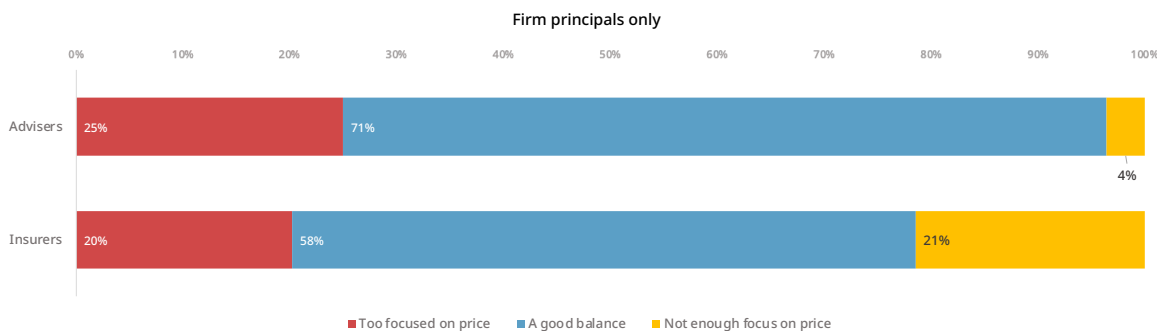
Q. Do advisers and providers have the right balance on price and quality?



Among the full sample, it was generally felt that both insurers and advisers strike the right balance in terms of price and quality, though 80% say that advisers strike that balance and at 67%, fewer respondents say insurers do.

Some 18% say insurers are too focused on price and 16% not focused enough.

We then looked at principals. We found some more concerns on both sides of the chart (below). Principals felt 25% of advisers were too focused on price compared with 4% who were not. For insurers again, it was mostly an even split so 20% felt insurers were too focused on price, 21% that there was not enough focus on price.



We also looked at the results for respondents at PDG member firms. So among all roles at PDG member firms, comprising 90 answers, we found that 22% believe insurers are too focused on price, 63% think things are in balance and 15% feel insurers are not sufficiently focused on price.

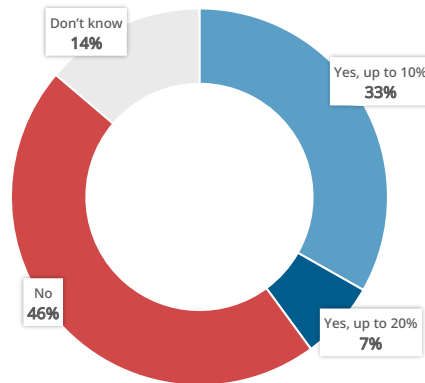
A big majority of this group - 83% - think advisers get the balance right on price and quality but 16% think fellow advisers are too focused on price and just 1% think there is not enough focus on price by advisers.

All in all, the widest sample seems to have pretty much a balanced view with worries about price and quality from different advisers. PDG member respondents do think fellow advisers especially may be too price focused.

Different cuts of the data show the market wanting insurers to focus on two different things and this presents an interesting dilemma for providers. Can insurers find a way to design products at different points on price and quality?

Advisers split on supporting a premium rise to improve service. Directly authorised and full PDG members in favour

Q. Would you support an increase in premiums if the extra money was invested by insurers to deliver better service, underwriting, technology, marketing and product solutions?

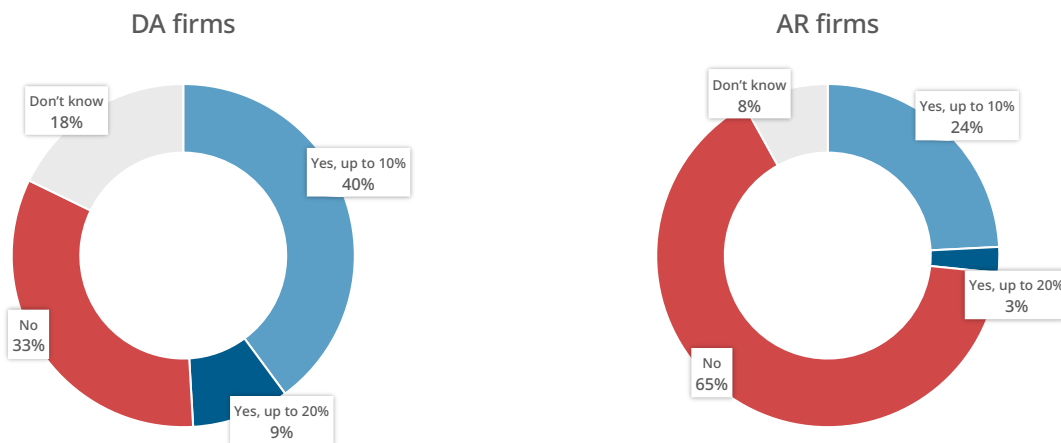


There have been some suggestions that price competition and resulting cost controls have had a negative impact on service. We wanted to test the appetite for an increase in premiums which might address this. This was another issue which split all respondents. 46% were opposed in comparison with 40% in agreement. Around 33% would support a rise up to 10% and 7% a rise up to 20%.

When we looked at results from respondents at full PDG member firms, there was much greater support. Out of a subset of 92 responses, we found 38% of this group would support a rise of 10%, 13% a rise of 20% with 33% opposed, so a slim majority in favour.

We also looked for differences between directly authorised and appointed representatives across the whole sample and found a striking result with DAs (top chart below) showing a slim majority, but with those at AR firms generally opposed. A combined 49% of DAs would support a 10% increase (40%) or 20% (9%).

This clearly contrasts with ARs, who, on balance, would not trade slightly higher premiums for service improvements with 65% opposed. We may probe these results in further discussions.



SECTION 5 VIEWS ON COMPARISON AND RESEARCH WEBSITES

Big thumbs up for portals

Q. How important is the role of protection portals in research and recommendation process?

It is very clear that portals are now an essential part of many advisers' processes with around 74% rating them essential or very important with most of the rest of respondents seeing them as helpful but not essential.

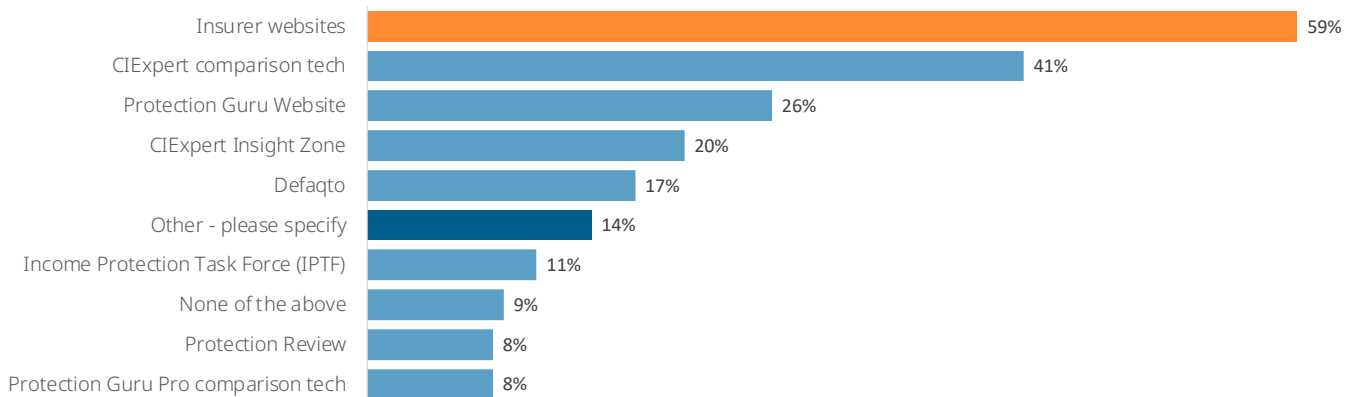


Provider websites still a significant information source

Q. What systems/sources do you use to help you research the market and recommend solutions to your clients?

There is a broad range of resources to help advisers make their recommendations. Perhaps unsurprisingly insurer websites took the top spot but CIEExpert and ProtectionGuru are both popular sources for advisers too.

Answers volunteered in the 'other' category included i-Pipeline's SolutionBuilder, UnderwriteMe and in one case, the adviser's own proprietary research tool, as well as provider seminars.



THE PDG'S KEY TAKEAWAYS

We set out to survey a range of adviser opinions on the current state of the protection market, what advisers feel may be getting the way of growing the market, their views on current and forthcoming regulatory changes and hot topics such as the use of AI.

The results are certainly thought-provoking. Of course, some of the findings confirm what we already thought we knew. Several others are more surprising.

The adviser firms who took part in the survey and those who provided comments are obviously very engaged and have views, sometimes strong views, on how to improve things.

Grounds for optimism

We think the survey shows advisers are reasonably optimistic about the future with, for example, positive views about the prospects for income protection and indeed for sales of life insurance given big pensions and IHT changes due in 2027. But there is also some uncertainty and caution too, some of which will be explained by the FCA's Pure Protection Market Study which was ongoing at the point of the questions being answered.

In another important section, the adviser community was already aware of the important role which comparison and research services play in their recommendations, and the survey confirms that these services are now a fully established part of the infrastructure for delivering well-researched recommendations.

As for price and value, we can see that most advisers think a balance has been struck but some want to see more value or more focus on price. You can't please everyone all of time, but maybe there are strategies to please a majority? We'll be debating and discussing this in coming months.

When we conducted the survey, we encouraged advisers to take part because it would help us in our work with providers, the regulator and even with policymakers. Many of the findings will help us do exactly that. Yet some results surprised us. There is, for example, a very mixed set of views on providers charging a little more to deliver better service, though there was a signal from professionals at many directly-authorized firms that they would support such a move, contrasting with other cuts of the data.

Getting to grips with underwriting complexity

In terms of matters which the protection sector itself can mostly get right, we do have to raise the issue of complex underwriting processes and indeed delays with providers. We, of course, recognise that the majority of customers are underwritten at point of sale; insurers have used technology to offer good 'straight through processing' (STP) rates for most applicants. But significant numbers of clients who fall outside of that STP journey are being affected by the lengthy delays in underwriting, causing many to walk away from the process completely. It's one of the biggest issues our members have been raising over the last 18 months or so, which is backed up by this data. Advisers' concerns are clear and hopefully this will help encourage greater focus on this area to ensure more applicants are underwritten more quickly.

View on regulation

In terms of any messages for the regulator, first of all, we are pleased to be a bearer of good news. A big majority of protection advisers say that Consumer Duty has benefited their clients and the market generally. Firm principals were a little more circumspect, but still positive. With this group of regulated individuals, the FCA can chalk up a win for its flagship regulation.

We would highlight that advisers have made what you might describe as a 'first-do-no harm' plea with regard to the Pure Protection Market Study. Many of our respondents do see a need for changes and a greater focus on the protection market to ensure more customers can access and benefit from protection products. It is

therefore positive that the FCA has concluded that whilst overall our market is working well for consumers, we do need to address the protection gap to help more people benefit.

Most advisers who are familiar with the targeted support initiative from the FCA want it to include protection. Advisers themselves want to do more protection business, but they also want the overall market to grow, because they know what a difference protection can make to their clients' and their clients' families' lives.

Drawing on that point and expanding it, we can see that advisers believe protection is part of the solution when it comes to government concerns about welfare dependency and the welfare bill. That aligns well with the outputs from the Mayfield Review and we hope this will lead to better collaboration between government and our market.

THOUGHTS FROM SPACE

We'd like to share a few thoughts on the research with some explanation of what Space does as an agency. We are a creative design and technology agency specialising in working with companies and organisations in retail financial services. The protection sector is a very important and significant part of our business. Space prides itself on understanding the requirements of working with firms in a tightly regulated market, one in which intermediaries are highly influential.

Our passion for protection

Since our inception we have believed that by understanding intermediaries we could help insurers be even more successful. Our research work ranges from asking advisers what broad business challenges they face to seeking their views on the design of the best user journeys on websites and portals. We then help our clients implement our findings through their marketing and advertising communications and web design.

In other words, assisting the PDG with this research is just the ticket for Space as an agency.

Annual statements

Some of the results confirm our existing thinking. For example, we know advisers increasingly see annual protection statements as essential or very important - and we have successfully designed these statements for clients as part of their customer portals.

It was interesting that alongside all the other excellent comparison and research services, advisers still frequently turn to provider websites for information. Naturally, the better the quality of information and the easier it is to access and use, the greater the likelihood that advisers will recommend a product.

Communication clarity

More generally and reading between the lines, we can see that communication is key in a host of areas. That's not too surprising. But the survey does give us some more interesting detail. Communication and more specifically clarity of message is seen as significant in overcoming client objections to taking out protection - it's at the heart

of several answers. Such clear communication could help assuage adviser and customer concerns about the deployment of new technologies, (although for a detailed look at attitudes to and deployment of AI, you will have to wait for the second part of this report.)

Why not be ambitious?

We also get a very clear message from advisers that broader understanding could help convince the wider public about the benefits of protection with subsequent benefit to the economy and society. In our research, we asked lots of detailed questions about what you might call here: the mechanics of protection. These are very important. Yet at the same time, we shouldn't lose sight of the broader picture and the fact that life insurance, income protection and critical illness bring huge benefits, peace of mind and financial resilience for families.

So, why shouldn't we be ambitious about sending that message far and wide?

To sum up, we are delighted to have helped power this PDG survey and report. We have certainly added to our knowledge in the process especially in better understanding client priorities and concerns and some of the sticking points in the protection process.

This will undoubtedly help us in our work with providers and intermediaries. And there are a host of areas where we believe we can add value: from help finding efficiencies in processes to improving communications with customers and clients. Please feel free to get in touch with us if you want to discuss how we can help.

Thank you

For further information about this report or the results of the survey please contact:



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