



Swiss Re report explores how the UK life assurance market can address consumer indifference and the changing protection market

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- **Changes to welfare and pensions provision provide a once in a generation opportunity for advisers, product providers and intermediaries**
- **Insurers have to find solutions to match people's short-term focus with long-term financial needs**
- **Employers have a greater role to play in expanding access to financial provision**

London, 22 October 2013 – Swiss Re's *Insurance Report 2013, Connecting generations – protecting generations* lays out the concerns people have with insurance and where the opportunities and challenges lie for the industry. Drawing on consumers' own words, the report explores how the long-term insurance industry can improve its services and products and reconnect with the public. The report also analyses the important role employers, advisers and intermediaries have to play in a changing financial services landscape.

Connecting generations – protecting generations looks at the way people approach their savings, pensions and protection needs and how insurers can link into those needs. The report identifies three important issues: many people have not started thinking about the long term; they often have other priorities for the limited amount of money they have; and, a negative customer experience may have turned them off insurance companies. This latter point appears to have a knock-on influence on their children and future generations.

Consumer experience and short-term thinking

Consumer research conducted for the report confirms that people are increasingly thinking more short-term about their financial situation. As a result, people start saving for retirement too late and do not place a high priority on financial products which would provide benefits later in life.

"This year's Insurance Report paints a startling picture of UK consumer thinking," says Russell Higginbotham, CEO Swiss Re UK & Ireland.

"While there are consumers who are switched on and savvy about financial planning, for a lot of people financial survival is about getting through to the next pay day. It's so important to listen to our customers and be aware of the bigger picture if we are going to provide insurance protection for as many people as possible."



Making it real for people

The report finds that, although two-thirds of those questioned see the value of insurance, many of them find financial services and insurance uninteresting. Focusing on people's real-life experiences can provide insights into how to address their needs. For example, people who have had personal or family experiences of negative events are more likely to respond to well-positioned messages and products.

Sally-Anne Etienne, Swiss Re's Life & Health Market Head UK and Ireland, says: "Successful companies listen to their customers and position their proposition accordingly. We can't expect our customers to fit our processes. If we have a better understanding of how our customers are thinking, we can identify what their needs are and help to solve them."

The role of employers

Auto-enrolment has enhanced the role of employers in the UK as an access point for financial products. The report points to the changes this will make to the balance between workplace-based and other pensions.

Beyond auto-enrolment, the report finds that 92% of consumers think that employers have a role to play in wider benefit provision. Over three-quarters of all UK employers, however, provide no life, income protection or critical illness cover at all. Those that do tend to be older, more-established companies with a large number of employees.

"It's telling that most consumers see benefit provision so positively. The insurance industry already does much good work providing protection cover through employers. Now is the time to build on this," says Ron Wheatcroft, technical manager at Swiss Re and co-author of the report.

Workplace pensions can lay the foundation for wider access to products, services and information. The report suggests that the industry can help this happen, for example, by providing clear and simple communication to consumers about their benefits packages.

Adapting to a changing landscape

The convergence of technological, social and regulatory factors has led to a once in a generation opportunity for advisers, product providers, intermediaries and other stakeholders to provide an integrated landscape of state and private provision. *Connecting generations — protecting generations* reports on the opportunities for the industry to deliver in this changing social landscape.

Russell Higginbotham says: "The world has changed and will continue to change and the insurance industry needs to keep ahead of the curve. We have to update our business models and innovate without losing sight of the fact that the fundamental need for saving and protection has not changed. Indeed, in a defined contributions pensions world, they become even more important."



Notes to editors

Copies of *Insurance Report 2013, Connecting generations — protecting generations* are available on request. Please call us on +41(0)43 285 71 71 or write to Media_Relations@swissre.com.

Swiss Re

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