

## News release

### The number of people in the UK protected by group risk insurance grew by 300 000 in 2013, says Swiss Re's Group Watch 2014

- Overall UK group risk market grows by 2.8% to nearly 11 million people at the end of 2013
- Strong premium growth across all lines, led by 9% increase in in-force death benefits, 12.8% increase in critical illness premiums
- For the first time, over 2 million people in the UK are insured in long term disability income schemes offered by their employers
- Estimated 100 000 more people covered by workplace arrangements as auto-enrolment is implemented in large companies

London, 8 April 2014 – 2013 was a record-breaking year for the UK group risk market, according to Swiss Re's Group Watch 2014. There was very strong growth in the number of lives covered by workplace arrangements, as well as strong premium growth across death benefits, long term disability income and critical illness covers arranged in the workplace. Most market participants surveyed for the report expect growth to continue in 2014 as overall economic conditions improve and auto-enrolment is implemented by small and medium sized companies.

"It's great news that the numbers are up for a second year," says Russell Higginbotham, CEO Swiss Re UK & Ireland. "Auto-enrolment has driven growth and when fully implemented, millions of UK workers will have a pension – which is a great accomplishment. But there is still work to do. Even with auto-enrolment, only around half of the UK will have life cover and about 10% will have disability protection. We need to improve on that and employers are a trusted way to deliver financial protection."

Premium growth was very strong in the group death benefits sector, rising to GBP 1.1 billion for the year, comparable to the very strong 9.8% growth in 2012. Excepted group life premiums performed very well, growing by 17.4%. The trend away from death in service pensions (DISP) towards lump sum benefits continues. This trend is likely to accelerate when compulsory annuitisation is removed in April 2015.

Long-term disability income protection reached an important milestone in 2013 with the number of people insured reaching 2 million for the first time.

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This represents a 3.8% increase compared to the previous year. In-force premiums were up 6.2% to nearly GBP 600 million.

Critical illness covers experienced very large growth of 12.8% in the number of people insured, with a corresponding premium growth of 12.7%. The total in-force critical illness premium now stands at GBP 67 million.

Another positive for the market is the 1.5 million people who contributed through flexible and voluntary benefit schemes, a 7.8% rise on the previous year.

"The results show that the group risk proposition remains strong," says Ron Wheatcroft, author of the report. "People are also choosing to adapt or increase their benefit to suit their own personal circumstances and this is helping growth in the market. The recently announced pension changes will lead to more people looking at how their employers provide financial products and we think the market is well-placed to adapt."

The market questionnaire which Swiss Re conducted to complement the Group Watch data revealed a high level of optimism among insurers and intermediaries. Economic conditions are expected to improve and, together with the ongoing effect of auto-enrolment, this is seen by many as a catalyst for continued growth.

#### Key figures from Group Watch 2014 (in GBP millions)

##### Total In-force premiums at end of year

Product Type	2009	2010	2011	2012	2013
Death benefits	897	919	956	1,055	1,149
Long-term disability income	568	517	518	563	598
Critical Illness	48	50	55	60	67

#### Notes to Editors

Group Watch 2014 analyses and summarises group risk business results at the end of 2013. It also uses a qualitative survey among 43 insurers and intermediaries in the group risk market, conducted in February 2014.

To receive a copy of Group Watch 2014, please contact Swiss Re Media Relations: +41 43 285 7171 or [Media\\_Relations@Swissre.com](mailto:Media_Relations@Swissre.com)

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