Swiss Re

Group Watch 2021

Welcome to Group Watch 2021, the latest in our series of reports looking at the UK group risk market.

Twelve months ago, we referred to the uncertainty in the market which was reflected in responses to our market questionnaire and linked in the main to preparations for life in a post-Brexit world. At that time, we were just beginning to understand the potential impact of the COVID-19 pandemic which subsequently touched the lives of all individuals and organisations directly and indirectly.

The group risk market was impacted by these changes with businesses and the people who work for them adapting to working arrangements and practices largely based on home working where it was possible to do so.

Later in this Report, we summarise market views on how the group market coped with the very rapid changes in business practices it was forced to adopt.

Despite the difficulties it faced and the wider financial concerns facing customers, this Report shows generally good results. Once again, we have seen an increase in the total membership of group risk policies.

We would like to thank those who provided the data underpinning this report as well as the 38 people (18 product providers and 20 employee benefits consultants), who contributed their opinions in response to the questionnaire issued in February 2021. We quote a number of the responses, unattributed, in this report.

Contents

2020 at a glance **4**

A very different business environment **6**

The market results overall **7**

Death benefits **8**

Long-term disability income **10**

Critical illness cover **15**

Flex and voluntary arrangements **17**

Adding value to the proposition? **19**
Getting the message across 20
Industry representation 20
Registered and Excepted Group Life 21
Making the case for change 22

2016 to 2020 in detail **23**

Authors and contacts **30**

2020 at a glance

The data in this Report have been collected from product providers active in the group risk market. One product provider that writes critical illness cover in a narrowly-defined sector of the market declined to participate. As the same organisation did not participate in previous reports, the numbers are directly comparable.

- 2020 saw the number of in-force group risk policies increase to 81,055 (78,243 in 2019), a 3.6% increase
- Death benefit policies in force increased by 4.1%
- Long-term disability income (LTDI) policies in force increased by 1.0%
- Critical illness cover (CI) policies in force increased by 7.5%
- 72.1% of all group risk policies in force provide death benefits, 22.1% provide LTDI and 5.8% provide CI cover
- The number of people insured increased to 13,317,249 (13,166,624 in 2019), an increase of 1.1%
- In-force premiums were £2,644,643,230 (£2,489,637,432 in 2019), an increase of 6.2%

3.4%

6.6%

7.9%

Death benefits

- Insured death benefits, including the capitalised value, using a factor of 30, of DISP benefits, increased by 3.4%
- Registered Group Life Policy (RGLP) lump sum benefits in force grew by 7.5% and premiums by 8.7%
- Excepted Group Life Policy (EGLP) lump sum benefits in force fell by 4.2% and premiums fell by 0.6%
- In-force DISP benefits fell by 13.8% and premiums by 2.5%
- Overall, the number of in-force death benefit policies increased by 4.1%

Long-term disability income (LTDI)

- The number of people insured increased by 6.6%
- In-force benefit amounts increased by 6.4%. Premiums rose by 6.5%
- The number of in-force LTDI policies increased by 0.9%

Critical illness cover (CI)

- The number of people insured increased by 7.9%
- In-force sums assured increased by 5.3% and premiums by 10.4%
- The number of in-force CI policies increased by 7.5%

A very different business environment

Overall, despite initial difficulties for some firms, the group risk market responded to the challenges presented by the COVID-19 pandemic, such as the need to continue to operate with its employees working from home, very positively.

There was praise for the market paying claims promptly, making "temporary" adjustments to its terms to accommodate the impact of the pandemic, premium holidays or deferrals to support economic challenges and for relaxing requirements for original paperwork.

"Generally, product providers were able to move to remote working and admin support services were quickly back to good levels."

Employee Benefits Consultant

"Some product providers could have been clearer regarding the impact of furlough to salaries/benefits as some of the immediate wording released was confusing when it should have been (and was eventually) simple."

Employee Benefits Consultant

Undoubtedly, lessons will have been learned with many of the changes likely to become "business as usual" once the so-called "new normal" is with us.

Many respondents referred positively to the greater use of digital solutions to support those working remotely from home and providing greater visibility for those services and awareness of benefits packages.

"The market started to innovate (at last)."

Employee Benefits Consultant

"The increase in the take up of the additional services and the move to an understanding of how these benefits help with an employee's wellbeing and the take up of these services was a great result for the industry."

Employee Benefits Consultant

A number of Employee Benefits Consultants were very positive about the support provided by product providers, referencing topical information for intermediaries to share with their clients on topics such as mental health and preventing back pain when working from home as well as dietary and fitness advice.

"It was brilliant at putting out lots of material surrounding mental health, webinars, surveys etc. Good at raising discussions around long-covid etc."

Employee Benefits Consultant

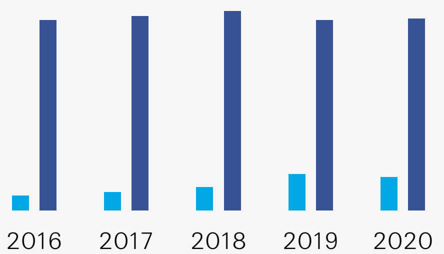
The market results overall

At the end of 2020, it is pleasing to be able to report another increase in the number of people covered overall under group risk policies. The number of people increased from 13,166,624 to 13,317,249, an increase of 1.1% (2.2% in 2019).

Death benefits

For several years, we have been reporting large increases in the number of people who are members of Excepted Group Life Policies (EGLPs). This year saw a change to this pattern with a small reduction in the number of EGLP members and an increase in membership of Registered Group Life Policies.

Number of EGLP and RGLP members
2016–2020



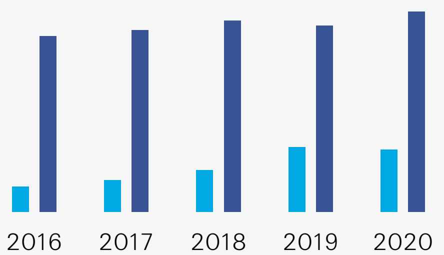
Number of EGLP members

2016	644,492
2017	782,674
2018	995,203
2019	1,547,314
2020	1,423,319

Number of RGLP lump sum benefit members

2016	8,183,943
2017	8,345,874
2018	8,566,288
2019	8,165,324
2020	8,238,202

In-force lump sum death benefits, EGLPs and RGLPs
2016–2020, £,000



In-force EGLP

2016	129,498,893
2017	163,077,890
2018	214,623,929
2019	334,363,098
2020	320,247,135

In-force RGLP

2016	906,017,727
2017	937,634,015
2018	985,825,331
2019	961,106,909
2020	1,033,323,731

Twelve months ago, the market mood for death benefit cover was generally positive although a number of respondents thought growth would mainly come from salary increases. Average sums assured grew by more than inflation in 2020, 4.1% for EGLPs and 6.6% for RGLPs.

Widow's and dependants' death-in-service pensions (DISP)

2020 saw the decline in the number of DISP policies and members continue.

- The number of insured members fell by 7.3% from 239,592 to 222,100
- In-force benefits fell by 13.8% from £2,789,416,042 p.a. to £2 ,405,332,168 p.a.
- Premiums fell by 2.5% from £137,786,931 to £134,381,097
- Average annual benefits in force fell from £11,642 to £10,830

"It's hard to judge - some companies are struggling in the current climate so their employee headcount is likely to reduce, but others are booming so I believe that, overall, scheme numbers and benefits will broadly stay the same. We are seeing double digit increases in premiums due to the market re-aligning itself following many years of competitive pricing, as well as any increase in claims directly and indirectly linked to the pandemic. We have also seen increases where benefits can be topped-up via flex as the pandemic seems to have brought life assurance (and CI) to the forefront of employees' benefit considerations."

Employee Benefits Consultant

"I've seen an increase in new-to-market group death benefit policies over the last 12 months so this will drive insured members up (even allowing for reductions due to redundancies etc). Product providers on our panel are all indicating increases to rates this year due to a spike in claims last year."

Employee Benefits Consultant

Looking forward to 2021

Views on where the group death benefit market will move in 2021 were mixed with respondents balancing the greater awareness of mortality as a result of the pandemic against the risk that some employers may close schemes and others choose to restrict or remove benefits along with reduced head count. 79% expected an increase in prices.

A number of respondents saw a further decline in DISP benefits and replacement by lump sum benefits.

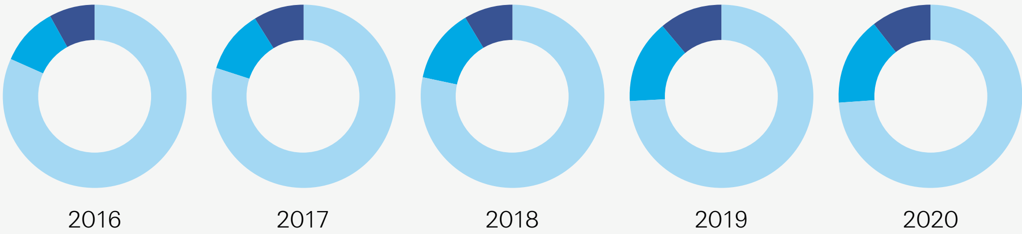
40% of respondents expect to see the number of policies to increase in 2021 and 76% expect benefits insured to stay level.

Long-term disability income

- This year's results show a 6.6% increase in the number of people insured (a further 170,915 people)
- The number of policies increased by 0.9% to 17,948
- In-force benefits per annum increased by 6.4% from £94,787,800,765 to £100,828,355,779
- In-force premiums increased by 6.5% from £814,374,647 to £867,596,031

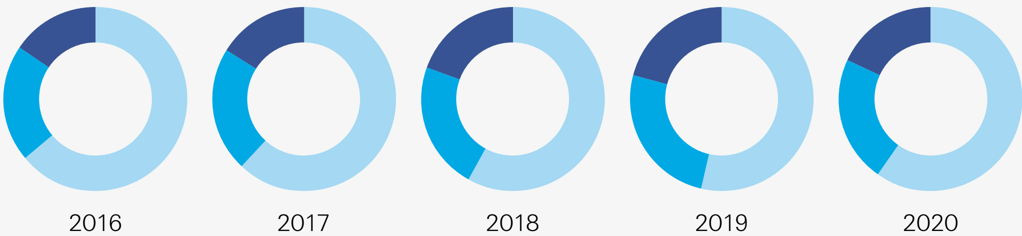
The following tables show the percentages of in-force policies and people based on the maximum possible benefit payment period. As in previous years, some product providers are unable to provide these figures. The 2020 data relate to 81% of in-force policies:

Percentage of policies, "to retirement", five year maximum benefit period and other
2016–2020



	"To retirement", %	**Maximum five year benefit, %**	**Other, %**
2016	81.7	10.5	7.8
2017	80.0	11.3	8.7
2018	78.6	12.9	8.5
2019	74.2	14.7	11.1
2020	74.1	15.4	10.5

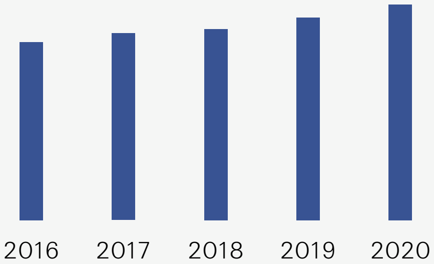
Percentage of people with cover "as opposed to retirement", five year maximum benefit period and other
2016–2020



	"To retirement", %	**Maximum five year benefit, %**	**Other, %**
2016	64.0	20.7	15.3
2017	62.1	21.9	16.0
2018	58.1	22.5	19.4
2019	53.8	25.4	20.8
2020	59.9	22.2	17.9

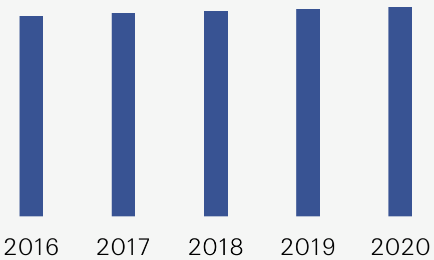
The increase in people covered is not one matched by parallel growth in the number of policies with the average membership per policy in force increasing.

Number of people covered
2016–2020



2016	2,289,405
2017	2,403,173
2018	2,457,049
2019	2,604,349
2020	2,775,264

In-force LTDI policies
2016–2020, £



2016	17,183
2017	17,442
2018	17,576
2019	17,781
2020	17,948

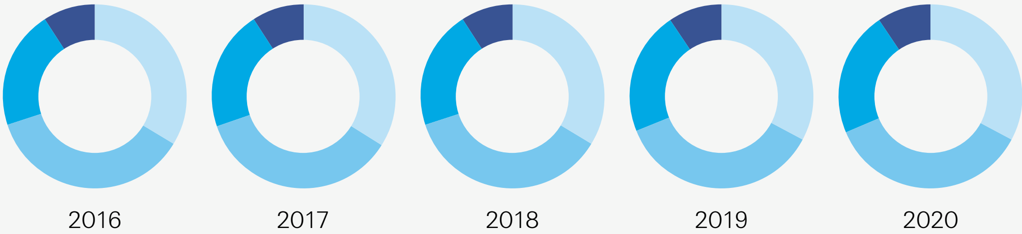
Year-on-year % increase in number of members and policies in force, 2016–2020

Year	2016	2017	2018	2019	2020
Members	8.7	5.0	2.2	6.0	6.6
Policies	-	1.5	1.0	1.2	0.9

Average membership per policy, 2016–2020

Year	2016	2017	2018	2019	2020
	133	138	140	146	155

LTDI policies, split by number of members
2016–2020



Fewer than 10		**Between 10 and 49**		**Between 50 and 249**		**Between 250 or greater**	
2016	5,808	2016	6,225	2016	3,590	2016	1,560
2017	5,922	2017	6,253	2017	3,691	2017	1,584
2018	5,954	2018	6,356	2018	3,694	2018	1,572
2019	5,825	2019	6,456	2019	3,841	2019	1,644
2020	5,885	2020	6,445	2020	3,914	2020	1,685

Last year, for the first time, we asked product providers to separate policies with 250 members or greater by showing the number where the membership was 1,000 people or greater. Of the 1685 (1,644 in 2019) policies with at least 250 members, 341 (413 in 2019) had 1,000 or more members. Note that the split totals 17,929 where the overall total reported above is 17,948. This is because one product provider was unable to split their data for 19 of their policies. Since 2017, we have asked product providers to split policies covering ten to 49 members further. The split is as follows:

Number of people	Number of policies, 2017	Number of policies, 2018	Number of policies, 2019	Number of policies, 2020
Between 10 and 19	2,832	2,876	2,906	2,865
Between 20 and 49	3,421	3,480	3,550	3,580

Most product providers are unable to separate business taken out by SMEs from so-called "executive" arrangements, mainly designed to cover senior employees. We believe, however, that the majority of such policies are taken out by SME businesses.

Looking forward to 2021

Expectations for GLTDI for 2021 are similar to those for death benefit cover with 37% expecting to see an increase to the number of policies. Showing the wider variation in views, however, 26% expect the number to reduce although thinking this may occur in 2022 rather than 2021. 71% anticipate premium increases.

With the combination of likely price increases, the uncertain effect of long-covid and wider financial pressures on businesses, an acceleration of the trend towards benefits payable for no more than two or five years, sooner than closing a scheme completely, is expected.

"We are seeing significant premium increases in the market generally. Whilst there are a number of external factors (economic drivers including low interest rates and the fiscal pressures brought about by the pandemic), a key factor for the pricing of these schemes is the size and longevity of claims in payment rather than their quantity."

Employee Benefits Consultant

"I think Limited Payment Term policies will become more commonplace for cost saving reasons, otherwise unfortunately the benefit will become unsustainable."

Employee Benefits Consultant

"I think we will see the larger corporate companies with scheme covering until SPA decrease to five year limited which will impact benefits and premium growth but will see an increase in the number of schemes taken due to proactive client searches brought on by the pandemic."

Employee Benefits Consultant

Critical illness cover (CI)

As in previous reports, one product provider which operates in a market niche declined to participate in this report.

- The number of in-force policies increased by 7.5% from 4,373 to 4,703
- Sums assured increased by 5.3% from £44,115,347,796 to £46,467,436,705
- The number of people insured increased by 7.9%, from 610,045 to 658,364
- There was an 8.3% increase in people covered by voluntary and "flex" arrangements from 413,731 to 448,081
- The number of people covered in employer-paid arrangements increased by 7.1% from 196,314 to 210,283

Looking forward to 2021

As in earlier years, there are fewer comments about CI than the other group risk products. While the group CI market is much smaller than death benefits or LTDI, the number of policies and membership continues to grow with new policies written and membership growth within existing policies.

73% anticipate premiums increasing with just 5% expecting them to fall.

Despite this, 54% of respondents expect the number of policies to grow in 2021 with a further 35% expecting the number to stay level. Growth, where expected, is likely to be through voluntary or flex arrangements in line with trends in previous years. This may be the case particularly where the employer has a limited budget.

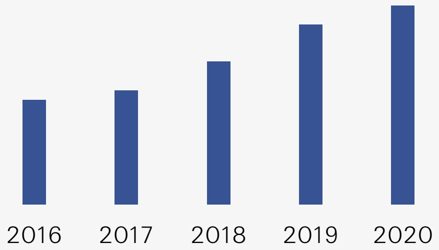
"I see the potential for growth in CI via flexible benefit schemes. Claims experience could worsen as a result of delays to treatment for cancer and heart conditions arising from the COVID-19 pandemic, which could in turn drive premium increases."

Employee Benefits Consultant

Flex and voluntary arrangements

As in previous years, we have collected market data for policies with a flex or voluntary component. One product provider has under-reported data for years 2016 to 2018 for all products. Its figures for 2019 and 2020 are correct but it has not been possible to recalculate earlier data. The effect is that premiums for those years for death benefit policies are understated by approximately £5m to £8m each year.

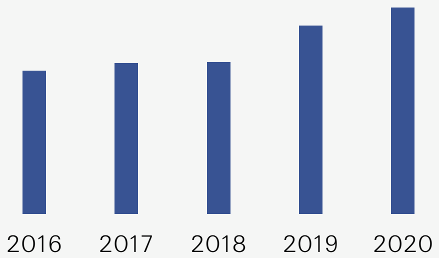
Total market premiums, policies which include a flex/voluntary component, death benefit policies
2016–2020, £



2016	135,208,900
2017	147,195,078
2018	184,345,656
2019	232,201,485
2020	256,754,023

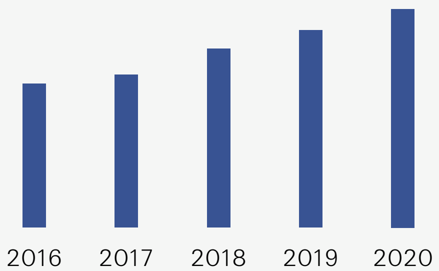
As above, one product provider has under-reported LTDI data for years 2016 to 2018. The effect is that premiums for those years are understated by approximately £5m.

Total market premiums, policies which include a flex/voluntary component, LTDI policies
2016–2020, £



2016	92,127,986
2017	96,833,044
2018	97,608,646
2019	121,140,946
2020	132,670,209

Total market premiums, policies which include a flex/voluntary component, critical illness policies
2016–2020, £



2016	61,778,311
2017	65,581,204
2018	76,737,719
2019	84,712,870
2020	93,890,083

Although the reported data show an upward trend in the percentage of total market premiums from policies which give members the opportunity to increase or extend their cover, it has not been possible to separate premiums paid by the employer and by the member.

Market premiums, policies which allow flex and voluntary payments compared with total market premiums

% total premiums with flex/voluntary options	2017	2018	2019	2020
Death benefits	10.6	12.6	15.0	17.0
LTDI	13.4	12.8	14.9	15.3

Respondents close to death benefit and LTDI policies offering a flex or voluntary component talked about practical problems presented by such arrangements.

"The tax regime is complex and, I think, limits growth and makes the industry look complex. It's not the products that are complicated but the regime they sit within. In an age in which government is encouraging self-provision, trying to protect the NHS and contending with the challenges of an ageing population, this seems such an obvious thing to tackle."

Product Provider

"Consistency of taxation of premiums payable and benefit received is paramount to ensure clear transparency and avoid additional administration issues relating to payroll reporting. Currently no P11D liability applies to employer premiums aside from under an OpRA arrangement, which has caused undue complexity. Similarly, under an OpRA arrangement, benefit may be tax-deductible or tax-free depending on how it has been funded. The long-term impact may result in employers moving away from flexible benefit type arrangements or removing the top up components which ultimately could end in less cover being provided or less flexibility."

Product Provider

Adding value to the proposition?

2020 saw much more discussion and reported usage of so-called added value services such as Employee Assistance Programme (EAPs) and digital GP services as employees adjusted to new ways of working and living their daily lives.

While seen as positive, there were mixed views as to whether greater utilisation of them would drive greater demand for group risk products generally, with product providers less certain than Employee Benefit Consultants overall.

"We do not believe that they will drive an increased demand for group risk products. Although they are very attractive benefits, they are not seen as the reason to purchase in the first place. The insurance risk is the predominant factor and drives the majority of the cost to market so if this is a prohibitive but the services available are important, they could be purchased separately."

Product Provider

"100%. At the start of the first lockdown we ran a campaign to existing clients to make them aware of these benefits and the response rate was fantastic. We also saw an increase in enquiries where clients were looking at these benefits as standalone products, not realising they're often included in group risk products."

Employee Benefits Consultant

"Companies are already making decisions to proceed with new policies because of the embedded support services. Digital GP and other app based services are key because they provided remote access to medical professionals."

Employee Benefits Consultant

A number of respondents commented that such services had been available for many years and to duplication across products which could lead to confusing decision making. Furthermore, some saw the provision of value added services becoming increasingly complicated, with potentially a race to having the most services and an "app overload" rather than a focus on employee need.

"One challenge for the industry is that employers have access to these services across multiple products including PMI, LTDI, life cover and cash plans."

Product Provider

"I think the Virtual GP and EAPs are nice to have but, in all honesty, I think the insurers could provide something different. The majority of clients take health insurance first as it's the most desired benefit and most of these have a virtual GP/EAP anyway. So when it gets to the group risk benefits, they are just doubling up: also, the usage reports from insurers show the usage is usually below 5%. Why don't they try something different instead of all offering the exact same proposition?"

Employee Benefits Consultant

Getting the message across

There was a positive view of the visibility of group risk within industry media but calls to widen the scope to increase awareness and influence. This comment may partly reflect both limited awareness of where messages are promoted now and a need to widen further where those messages are presented.

"Group risk gets a lot of space in insurance industry publications but it would be good to have more of a presence in mainstream press and publications and specialist HR and trade publications to get the message out to more employers and employees who may not have heard of the benefits available and the value they can bring to them."

Employee Benefits Consultant

"Get outside of the trade press and into the real world"

Product Provider

"AMII have signposting from Martin Lewis Money Saving Expert for PMI; why don't we have this for Group Risk? Or working with Federation of Small Businesses to promote the group risk services?"

Employee Benefits Consultant

Industry representation

We asked how effective the group risk market had been at influencing government and, separately, giving a consistent view across various representative bodies and firms.

Views on effectiveness were very diverse with most people seeing improvement but considering that there is much more to be done before it can truly be seen as effective.

"I think in later years the group risk market is becoming more recognised by Government but still a long way to go."

Employee Benefits Consultant

"I know there is often activity here but it's hard to say whether the messages aren't strong enough or whether they're falling on deaf ears at the Government."

Employee Benefits Consultant

"I haven't seen any lobbying to the Government to benefit business owners taking out group risk."

Employee Benefits Consultant

"I don't think Government has time to listen just now"

Employee Benefits Consultant

Many commented on the need for collaboration across industry bodies to continue.

A strong view emerged of the strength of a collective position, that being more powerful than any one firm, always provided the collective body is known and respected and momentum is maintained.

Many responses were pragmatic about the nature of the challenges faced.

"It still sometimes seems group risk is an afterthought and the forgotten cousin when it comes to pensions/retirement benefits. Saying that, I think the industry has made great headway with the Access to Insurance Working Group, continued efforts from GRiD, ABI and ILAG, and it's a slow steady journey."

Product Provider

"I think it is effective at giving a consistent view. It needs to extend its messaging to the wider employee benefits arena and the interaction of group risk benefits with pensions, PMI etc and, in particular, to help clarify the role of each in a wider wellbeing agenda."

Product Provider

"A collective view is stronger than an individual insurer view that may come across as being more for commercial gain."

Product Provider

"The Government seem still a bit too uninformed about group protection generally."

Employee Benefits Consultant

Registered and Excepted Group Life

Earlier in this Report we showed the number of Registered and Excepted Group Life policies.

Both products are very simple. The employer pays a premium, the employee nominates who they would like to receive the proceeds if they die and the proceeds are paid quickly through trustees with no need to wait for probate.

For many years, we have been concerned about the application of the Relevant Property Trust rules to Excepted Group Life policies. The costs of administration have increased as the number of Excepted Group Life policies has increased and the likelihood of a tax charge on the trust is both random and arbitrary.

The freezing of the Lifetime Allowance right up to 2026, announced in the Budget on 3rd March, will mean that more people will be affected as a result of having their lump sum death benefit within the pension environment. Consequently, we may expect to see more employers moving their death benefit arrangement into an EGLP.

This, of course, will add more costs, ultimately met by the employer, to obtain specialist advice to ensure the tax consequences of moving to an EGLP are considered fully.

We repeat our estimate from Group Watch 2020 that the annual cost of compliance with the Relevant Property Trust regime is approximately £2.7m per annum. In contrast, the maximum amount of tax revenue generated is less than £1 million. In practice, it may be no more than half of this figure.

As the size of the EGLP market has grown, the gap between the estimated cost of compliance and tax revenue has grown. This is likely to widen if further if more EGLPs are set up.

Life assurance provision is entirely voluntary and employers, scrutinising their employment costs more closely than ever, may conclude that the complexity surrounding the simplest of long-term insurance propositions is just not worth the effort. The consequence is that employees and their families will become less resilient.

This will be increased by any further reforms to pension taxation.

As we begin to emerge from the pandemic, there is an urgent need for Government to encourage employers to provide for their workforces.

In the case of death benefit cover, this could be achieved by three measures:

- An exemption from entry, periodic and exit charges for trusts holding as a sole asset Excepted Group Life and Relevant Life Policies.
- Removing lump sum death benefits from the Lifetime Allowance assessment for the individual when a death has occurred, and that death benefit was secured in a registered pension arrangement.
- Removal of the requirement for a common benefit formula for all members of an EGLP to put provision on an equal footing with that for members of a Registered Pension arrangement. Any possible tax avoidance is covered elsewhere in the Eligibility Conditions.

Making the case for change

Working with Government and with regulators has been difficult against a backdrop of the Brexit referendum in 2016 and the COVID-19 pandemic which, separately and combined, have stalled much other activity. Yet, while we would have liked to see even more employers protecting their employees and their employees' families, the market has shown continued growth and entered 2021 in good shape.

Reflecting on the "asks" we have made of Government, whether through the various trade bodies or as individual firms, we have struggled to make progress, a problem which pre-dates COVID-19 and Brexit.

The Budget on 3rd March made clear that Government finances will be fragile for many years into the future so there is a great opportunity provided we can position our message consistently and with the right influencers.

The collaboration that many respondents referred to is key to this. It is easy for any Government to look elsewhere, faced with conflicting messages.

In this Report, we have focused on the tax challenges surrounding the provision of death and LTDI benefits and we need to try to break the cycle where our representations stall or are ignored and where changes, often unintended, bring more complexity for the customer. That complexity can only result in employers being deterred from making their workers and their own business more resilient and lead to a natural market focus on competing to win existing business rather than seeking to grow the number of employers with cover.

"It is one of a number of small 'chilling effects' which makes employers and brokers think it's 'all too complicated'. It sends mixed signals from government about what it wants employers to do – if we want employers to really look after their staff, then government should send clear unambiguous signals that encourage them to provide staff with benefits that really mean something."

Product Provider

Joined up, jumbled up?

It makes little sense if encouraging words we hear from one Government department conflict directly with the approach elsewhere in Government. It cannot be right that the tax system makes it so difficult for an employer to allow an employee to top up their provision that they choose to withdraw the facility to do so.

We have made great progress in working across different industry groups and towards a consistency in messaging. Perhaps the time has now come when we need to move on from the "soft" approach we take to getting across our messages and seek to build a broader collaboration of interests such that our messages become more compelling?

In that way, we may be able to position what group risk does at the forefront of what Government thinks rather than, at best, an afterthought.

"We should keep pressing the Government to understand our services and work with them to set a 'good employer charter' in terms of provision as, the more employers are encouraged to do, the more that the Government can legitimately take a step back without leaving a void of non-provision"

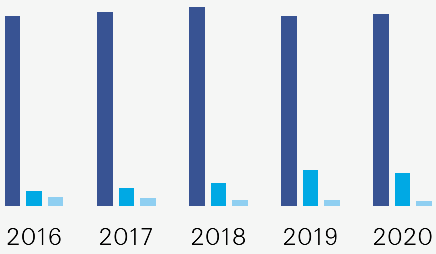
Employee Benefits Consultant

Along with that, we need to address those areas where our proposals are based more on rhetoric than on hard fact, particularly where the contributions made by employees towards their benefits and the value of the intervention and support services are concerned.

2016 to 2020 in detail

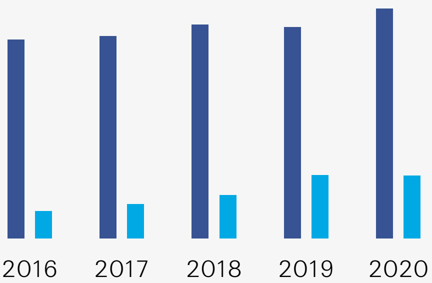
Death benefits

Number of people covered
2016–2020



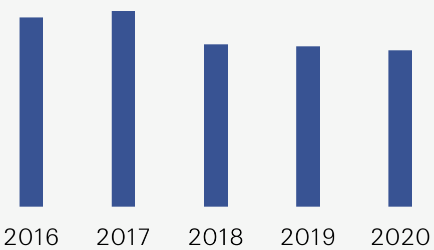
Year	Registered	Excepted	DISP
2016	8,183,943	644,492	375,970
2017	8,345,874	782,674	354,578
2018	8,566,288	995,203	265,134
2019	8,165,324	1,547,314	239,592
2020	8,238,202	1,423,319	222,100

In-force lump sum death benefit premiums
2016–2020, £



Year	Registered	Excepted
2016	1,025,981,730	141,270,174
2017	1,042,513,219	175,659,651
2018	1,101,784,404	222,799,927
2019	1,089,851,463	325,340,374
2020	1,184,246,986	323,380,843

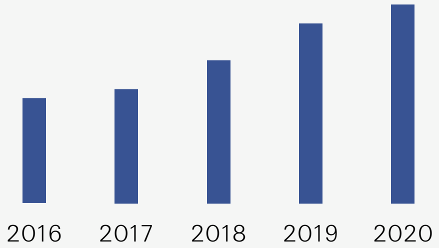
In-force DISP premiums
2016–2020, £



2016	162,620,677
2017	168,316,999
2018	139,550,608
2019	137,786,931
2020	134,381,097

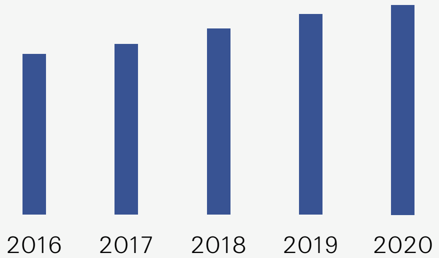
One product provider has under-reported data for 2016 to 2018 and it has not been possible to recalculate them. The effect is that premiums for those years are understated by approximately £5m to £8m each year.

In-force flexible and voluntary death benefit premiums
2016–2020, £



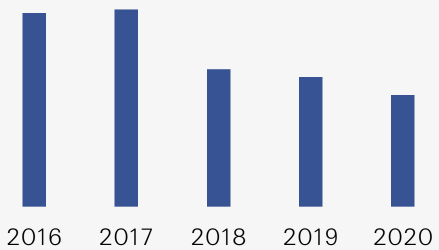
2016	135,208,900
2017	147,195,078
2018	184,345,656
2019	232,201,485
2020	256,754,023

In-force lump sum death benefits
2016–2020, £,000



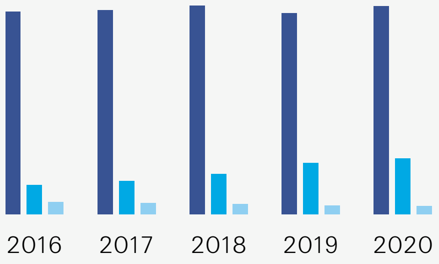
2016	1,035,516,620
2017	1,100,711,905
2018	1,200,416,188
2019	1,295,470,007
2020	1,353,570,866

In-force DISP benefits
2016–2020, £,000 pa



2016	4,164,381
2017	4,233,890
2018	2,952,268
2019	2,789,416
2020	2,405,332

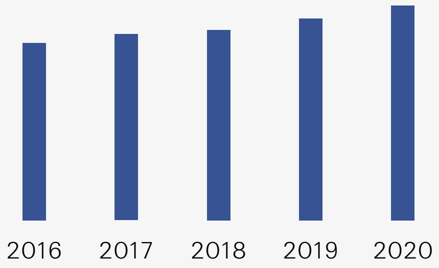
In-force death benefit policies
2016–2020



Year	Registered	Excepted	DISP
2016	43,471	6,239	2,652
2017	43,770	7,130	2,418
2018	44,770	8,686	2,162
2019	43,099	11,062	1,928
2020	44,623	11,993	1,788

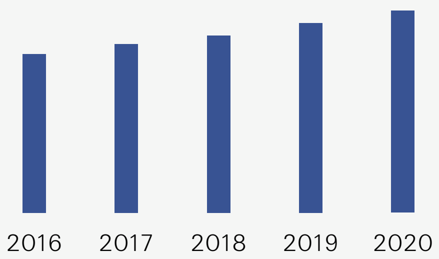
Long-term disability income (LTDI)

Number of people covered
2016–2020



2016	2,289,405
2017	2,403,173
2018	2,457,049
2019	2,604,349
2020	2,775,264

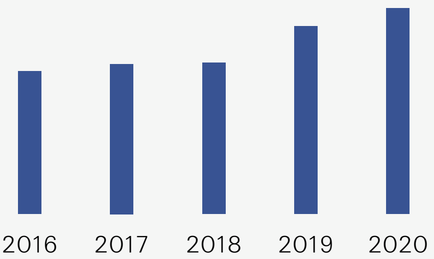
In-force LTDI premiums
2016–2020, £



2016	681,784,625
2017	724,496,679
2018	761,125,005
2019	814,374,647
2020	867,596,031

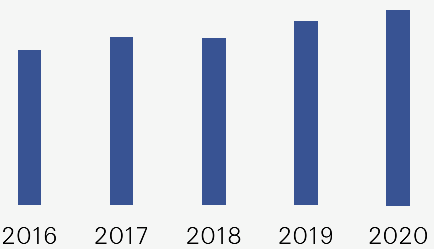
In the following table, one product provider has under-reported LTDI data for years 2016 to 2018 and it has not been possible to recalculate data for those years. The effect is that premiums for those years are understated by approximately £5m.

In-force flexible and voluntary benefit premiums
2016–2020, £



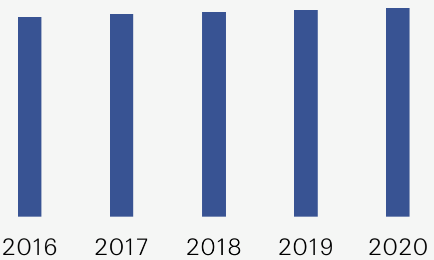
2016	92,127,986
2017	96,833,044
2018	97,608,646
2019	121,140,946
2020	132,670,209

In-force LTDI benefits
2016–2020, £,000



2016	80,089,710
2017	86,608,975
2018	86,284,464
2019	94,787,800
2020	100,828,356

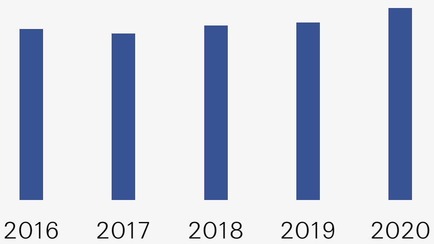
In-force number of LTDI policies
2016–2020



2016	17,183
2017	17,442
2018	17,576
2019	17,781
2020	17,948

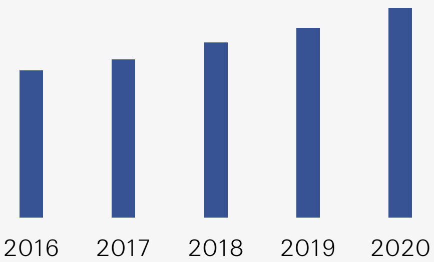
Critical illness (CI)

Number of people covered
2016–2020



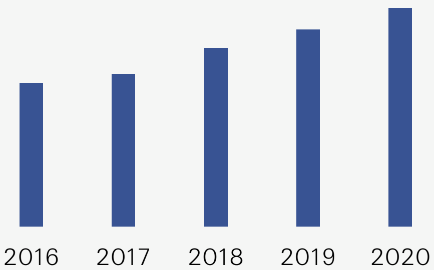
2016	586,275
2017	571,848
2018	599,023
2019	610,045
2020	658,364

In-force CI premiums
2016–2020, £



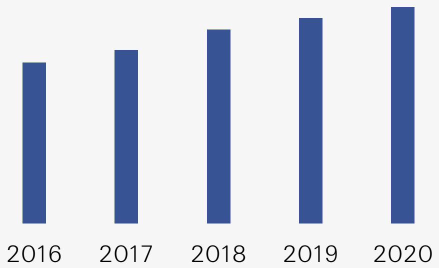
2016	94,889,094
2017	101,951,178
2018	112,952,864
2019	122,284,017
2020	135,038,273

In-force flexible and voluntary benefit CI premiums
2016–2020, £



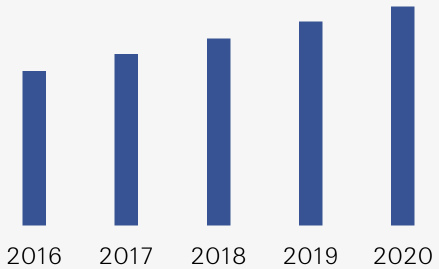
2016	61,778,311
2017	65,581,204
2018	76,737,719
2019	84,712,870
2020	93,890,083

In-force CI sums assured
2016–2020, £,000



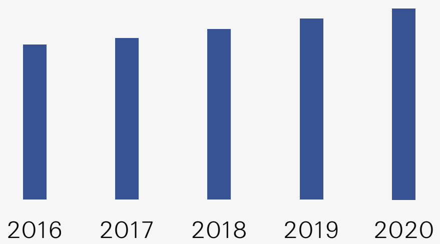
2016	34,529,338
2017	37,261,788
2018	41,641,584
2019	44,115,348
2020	46,467,437

In-force number of CI policies
2016–2020



2016	3,311
2017	3,679
2018	4,012
2019	4,373
2020	4,703

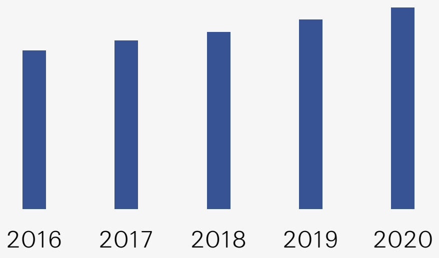
In-force total market premiums, death benefits
2016–2020, £



Death benefits

2016	1,329,872,581
2017	1,386,489,870
2018	1,464,134,940
2019	1,552,978,768
2020	1,642,008,926

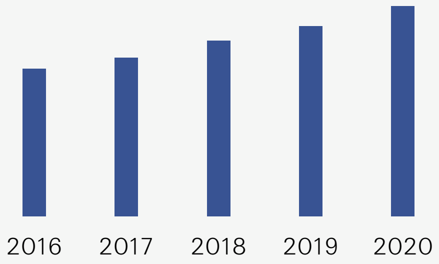
In-force total market premiums, LTDI
2016–2020, £



LTDI

2016	681,784,625
2017	724,496,679
2018	761,125,005
2019	814,374,647
2020	867,596,031

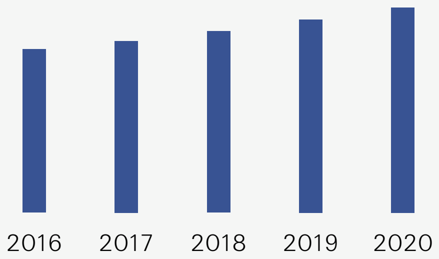
In-force total market premiums, Critical Illness Cover
2016–2020, £



CI

2016	94,889,094
2017	101,951,178
2018	112,952,864
2019	122,284,017
2020	135,038,273

Total group risk market premiums
2016–2020, £



Total

2016	2,106,546,300
2017	2,212,937,727
2018	2,338,212,809
2019	2,489,637,432
2020	2,644,643,230

Authors and contacts

For further information, please contact:

Journalists should contact:

Ron Wheatcroft

Technical Manager
Ron_Wheatcroft@swissre.com
+44 20 7933 3548
LinkedIn, Twitter

Ron works with the market, looking at the likely impact of legislation and regulation. He is a regular commentator in the media.

He is a member of GRiD's Steering Committee and Raising the Profile Working Party, and the ABI's Social Care Working Party.

He is Joint Chair with Katharine Moxham from GRiD of the Cabinet Office Champion Access to Insurance Workplace Protection Group and a member of the Steering Group.

Outside work, Ron ignores Premiership hype, settling instead for watching Gillingham on iFollow where he has seen a gradual and welcome improvement following years where the trapdoor back into League Two was ever open. He is very much looking forward to the normality of live football and cricket once again!

Keith Williams

Group Risk Specialist
Keith_Williams@swissre.com
+44 20 7933 3558
LinkedIn, Twitter

Keith provides specialist technical expertise, group policy underwriting, risk management and external auditing to the market.

He is a member of GRiD's Regulations Committee.

Bringing up three young children keeps Keith pretty busy outside work, although he is occasionally allowed time off for good behaviour in order to enjoy the delights of the Isthmian League Division One South at Whyteleafe FC. When pressed, Keith confesses to be a long-suffering West Ham supporter, who will only win a major trophy in this millennium in his wildest dreams.

Stuart Macaulay

Stuart_Macaulay@swissre.com
+44 79 7319 7425

Swiss Re Europe S.A.
UK Branch
30 St. Mary Axe
EC3A 8EP London
United Kingdom

www.swissre.com