



Protection Products

2007 has seen much industry debate about the rising Protection Gap in the UK – estimated at some £2.3 trillion. Announcements during 2007 by leading brands Standard Life and Scottish Widows that they were pulling out of the protection market highlights the difficulties of providing profitable protection products that are trusted.

Last March consumers were asked whether the following statement applies to them:

'I regularly review the level of my protection against unforeseen events'

- Overall some 38% of the 2,000 adults aged 16+ interviewed by GfK NOP for JGFR agreed with the statement, with the highest proportion among 50-64 year olds (47%) and ABs (45%). 16-29 year olds had lowest take-up (23%).
- Regional differences in reviewing protection cover are apparent. The highest level of protection review is undertaken in the East Midlands and North West (both 44%) and the lowest in Greater London (33%).

Demand for protection products has slipped during 2007. Compared to December 2006 only 18% of adults currently intend to contribute to a regular life insurance scheme in the next 6 months compared to 21% a year ago. The FAB Regular Life Contribution Index fell from 95.0 in Q4 2006/Q1 2007 to 80.0 in Q4 2007 /Q1 2008.

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