The ABI is the voice of the UK’s world leading insurance and long-term savings industry.

A productive, inclusive and thriving sector, we are an industry that provides peace of mind to households and businesses across the UK and powers the growth of local and regional economies by enabling trade, risk taking, investment and innovation.

The UK insurance industry is the largest in Europe and the fourth largest in the world. It is an essential part of the UK’s economic strength, managing investments of £1.8 trillion and paying nearly £12bn in taxes to the Government. It employs around 300,000 individuals, of which around a third are employed directly by providers with the remainder in auxiliary services such as broking.

Each year the ABI publishes a summary booklet of the UK insurance industry. This booklet provides facts and figures on 2017 (unless otherwise stated and where available) about UK insurance¹ and its significant contribution both to the economy and society.

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¹ Unless stated, data is ABI data and covers ABI data providers only.
Insurance & long-term savings: a UK success story

Breakdown of worldwide premium income by country, 2017

Total Premium Income, $bn, 2017

<table>
<thead>
<tr>
<th>Country</th>
<th>Life</th>
<th>Non-life</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td></td>
<td>1,377</td>
</tr>
<tr>
<td>PR China</td>
<td>541</td>
<td></td>
</tr>
<tr>
<td>Japan</td>
<td>422</td>
<td></td>
</tr>
<tr>
<td>United Kingdom</td>
<td>283</td>
<td></td>
</tr>
<tr>
<td>France</td>
<td>242</td>
<td></td>
</tr>
</tbody>
</table>

337
Long-term savings providers
Number of authorised life insurance companies in the UK, of which 159 are UK authorised and 178 are headquartered in another European country and passport in under Freedom of Services.

872
General insurers
Number of authorised general insurance companies in the UK, of which 281 are UK authorised and 591 are headquartered in another European country and passport in under Freedom of Services.

303,500
employees
In the UK, 94,200 are directly employed by insurance companies and 209,300 are employed in auxiliary services to insurance and pension funding; such as broking, & third party services.

£11.8bn
taxes paid
In 2014 the sector contributed nearly £12bn in taxes to the UK government.

£29.5bn
contribution to the economy
In 2016 the UK insurance industry contributed £29.5bn to the UK economy.

Total Premium Volume 2017 (USD billions)
- No Data
- 0 – 50
- 50 – 100
- 100 – 200
- 200 – 400
- 400 – 800
- 800 – 1400

1st
The UK has the largest insurance industry in Europe and the fourth largest in the world.

23.4%
The UK insurance and long-term savings industry generates just under a quarter of total EU premium income.

1 Source: Swiss Re, Sigma No 3/2018
2 Source: Insurance Europe, European Insurance Key Facts 2018
3 Source: ABI
4 Source: Bank of England, July 2018
5 Source: Blue Book 2018, Office for National Statistics
6 Source: PWC, Total Tax Contribution of the UK Insurance Industry, 2014
7 Source: Office for National Statistics “Business Register and Employment Survey” 2017
Insurance & long-term savings: households and types of products

Of the 26.6 million households in the UK in 2016-17:

- 19.6 million had contents insurance
- 20.1 million had motor insurance
- 16.9 million had buildings insurance
- 3.1 million had mortgage protection
- 1.9 million had private medical insurance

And for long-term savings products:

- 5.3 million had whole of life assurance
- 2.2 million had a personal pension
- 0.5 million had term life assurance
- 0.3 million had income protection

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Note that the ‘personal pensions’ figure excludes any occupational pensions.

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General Insurance Statistics

MOTOR INSURANCE

£269m underwriting profit
The £269m underwriting profit in 2017 was a significant increase on the £909m underwriting loss in 2016, and the third time that the UK motor insurance market made a profit since 1994.

£29m paid per day
Insurers paid out £29m per day in motor claims of which £21.7m was for domestic claims and £7.3m related to commercial claims.

£471 average premium
By Q3 2018 the average motor premium for private motor had fallen from its all-time high of £495 (Q4 2017) to £471.

Average premium paid for private motor insurance*

98.4% claims acceptance
In private motor, 98.4% of the total number of claims made were accepted in the 2016/17 period, similar to the previous year.

£10,347 average Bodily Injury claim
Whilst average claims for bodily injury are high, the overall average for all types of private car claims was £2,952.

*the average amount paid for a fully comprehensive policy where the policy holder holds a full driving licence
PROPERTY INSURANCE

£420m underwriting profit
Following benign weather, the UK property insurance market made its sixth underwriting profit since 2011.

£14.3m paid per day
Insurers paid out £14.3m per day in property claims, of which £7.8m was for domestic claims and £6.5m related to commercial claims.

£307 average premium
In Q3 2018 the average premium for a combined building and contents policy was £307, compared to £306 in Q3 2017.

Average premium paid for domestic property insurance*

*Percentages based on value of gross claims incurred

Domestic Property Insurance Claims, by type of Claim

- Fire & explosion 17%
- Theft 16%
- Weather 8%
- Escape of water 31%
- Domestic subsidence 4%
- Accidental damage 12%
- Other domestic claims 13%

*the average amount paid for a combined buildings and contents policy

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## Travel Insurance

**£1.1m paid per day**

In 2017, travel insurers paid out £385m for 510,000 claims to travellers who needed help whilst they were abroad. £201m of this was to cover the cost of emergency medical treatment, and £145m for cancellations.

## Medical Expense Insurance

**£3.3bn GWP**

The Gross Written Premium of ABI members’ Medical Expense Insurance for 2017 was £3.3bn.

## Liability Insurance

**£57m underwriting profit**

The liability insurance market made an underwriting profit of £57m in 2017, a big improvement on the £176m loss in 2016.

**£7.5m paid per day**

Every day, liability insurers paid out claims of £7.5m, of which £1.57m was for employer’s liability.

## Pet Insurance

**3.8m customers**

Around 96% of pet insurance is for cats and dogs.

**£2.1m paid per day**

## Trade Credit

Businesses can take out trade credit insurance to protect themselves against financial distress of a trading partner.

**12,842 policies**

**£617k paid per day in claims**

## Insurance & long-term savings: how they work for you
£307 a year
Daniel makes sure the house and contents are protected by taking out property insurance.

£7.8m per day
The average property insurers pay out to repair homes and replace contents.

The Morgans make sure their pet dog Barney is looked after in case he needs medical treatment.

£2.1m per day
The average pet insurers pay out for veterinary treatment for pets.

The average property insurers pay out to repair homes and replace contents.

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The average bodily injury claim following an accident.

£13.9m every day
The average liability insurers pay out to protect businesses.

Daniel owns a café in the town and makes sure he is covered with liability insurance should anything go wrong.

The average travel insurers pay out to help people who need medical treatment abroad.

£550k a day
The average travel insurers pay out to help people who need medical treatment abroad.

The Morgans went on holiday to Spain recently and took out travel insurance to protect them whilst they were away.

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The average bodily injury claim following an accident.

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Lauren renews her car insurance at an average cost of £471 a year

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Lauren renews her car insurance at an average cost of £471 a year.

£79,347
The average bodily injury claim following an accident.

Lauren hurt her back a few months ago, but her employer has income protection insurance and paid her a salary when she could not work.

£13.9m every day
The average liability insurers pay out to protect businesses.

Lauren hurt her back a few months ago, but her employer has income protection insurance and paid her a salary when she could not work.

Jane saved for her retirement throughout her working life. Earlier this year, she took some of her pension as cash and bought an annuity with the rest to ensure she has an income throughout her retirement.

23.9m
number of individual pension policies in force.

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**General Insurance Fraud**

**£1.28bn** detected fraud
Over 112,000 detected cases of attempted claims fraud in 2017 - an 8% decrease in volume compared to 2016.

**£775m** motor fraud
Fraudulent motor claims were the most common, over 67,000 in 2017, and valued at £775m.

**£386m** liability fraud
Volume of fraudulent liability claims is down 2% in 2017, with 19,000 detected, and valued at over £386m.

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**Long-term Savings and Life Statistics**

**PENSIONS**

**23.9m** policies
Half of individual pension policies were workplace pensions.

**73%** contributing employees
7.3% of employees were contributing to a workplace pension in 2017. This has increased from 69% in 2016.

**PENSION AUTO-ENROLMENT**

Between 2012 and 2018 certain employees who are not already in a workplace pension scheme will be automatically enrolled into one.

**21.2m** members of qualifying schemes
By the end of July 2018 there were 21.2m employees in qualifying schemes, with 9.9m of these automatically enrolled.

**4.1m** policies sold
Just over 4.1 million pension policies* were sold in 2015.

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*ONS Annual Survey of Hours and Earnings pension tables, UK: 2017 provisional results
10 The Pensions Regulator, Declarations of Compliance July 2018
*Includes personal and work-based individual pensions, master trusts and investment only pensions
RETIREMENT INCOME

The pension reforms announced in 2014 gave people more flexibility around how to access their pension pots at retirement.

£5.7bn withdrawn
An estimated £5.7bn was withdrawn from pension pots through both drawdown payments and cash withdrawals in the year from April 2017.

INCOME DRAWDOWN

Income drawdown contracts allow you to take an income from your pension pot while the rest remains invested.

£9.2bn invested in drawdown
In 2017 £9.2bn was invested in Income Drawdown products, with 102,000 new contracts, this is an average of almost £90,000 invested. This compares to £6.5bn and 85,000 contracts sold in 2016.

ANNUITIES

An annuity can be purchased with a sum of money from a pension which will then provide an income during retirement.

6.7m pension annuities in force
In 2017, £14.7bn in payments were made.

69,000 annuity sales
There were 69,000 annuity sales in 2017, decreasing from 75,000 in 2016. The total value of annuity sales has increased slightly to £4.4bn.

48% bought from existing provider
INVESTMENT AND SAVINGS

Investment and savings products include investment bonds and endowments.

<table>
<thead>
<tr>
<th>6.3m policies in force</th>
<th>£44m paid per day</th>
<th>88,000 new policies</th>
<th>£13.9m paid per day</th>
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PROTECTION

Protection products include term life, whole of life, relevant life, income protection, critical illness and collective life insurance, and provide financial security in the event of serious illness, accident or death.

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<th>25.2m policies in force</th>
<th>£5.1bn was paid to 173,000 customers or families as a result of claims on protection insurance policies, an average of £13.9m each day.</th>
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<td>Around 2.1m new individual and group protection products were taken out in 2017.</td>
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LONG-TERM CARE

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<th>26,000 policies in force</th>
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ISAs

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<th>2017 saw 88,000 new savings and investment policies sold.</th>
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The relative simplicity of some household insurance products means that consumers are more likely to purchase them directly than they are longer-term insurance products. Over half of personal motor insurance (60%) and a quarter of personal property insurance (27%) is purchased directly by consumers, which includes sales via a price comparison website.

Long-term savings and investment products tend to be taken out with advice. 83% of customers who purchased a pension, protection or other long-term insurance product had some form of advice. Whether advice is taken depends on the product being purchased.

Independent advice was taken by 74% of consumers in selecting a pension product. For protection products it was 68%.
Insurance & long-term savings: Important role as investors

Insurers that provide long-term savings and life insurance products ensure they meet their long-term liabilities by investing the premiums received in different types of investments.

At the end of 2017, ABI members held £1.8trn of assets, of which £1.66trn was held by life insurance companies.

UK Equity holdings have decreased from 14% of the total in 2008 to only 5% today, a decrease counterbalanced by an increase in Overseas Equity. Unit Trust business has increased significantly over the same period, and in 2017 reached holdings of £424bn.

Further Data


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About the ABI

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www.abi.org.uk – has all the latest news, views and key information about insurance and the ABI’s work on behalf of the industry.

The ABI produces detailed statistics on the industry, which are free to members and can be purchased by others for a fee.