



Opportunity Knocks

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Auto-enrolment: The story so far

- Of the 1.4 million people enrolled between October 2012 and July 2013, research by the DWP suggests that only 9% of these people have opted out.
- Of the 12,000 people who have actively opted in to NEST, nearly a fifth are under 25 years old.
- 61% of people agree that it's a good idea for people to be enrolled into a workplace pension scheme in this way. 18% now disagree that it is a good idea, down from 27% who disagreed in 2011.
- Among responses given by people who are yet to be automatically enrolled, 61% also say they will definitely or probably stay in once they are enrolled, up from just 47% in 2011.
- It's not just an affluent section of society who feel they'll benefit from the reforms.

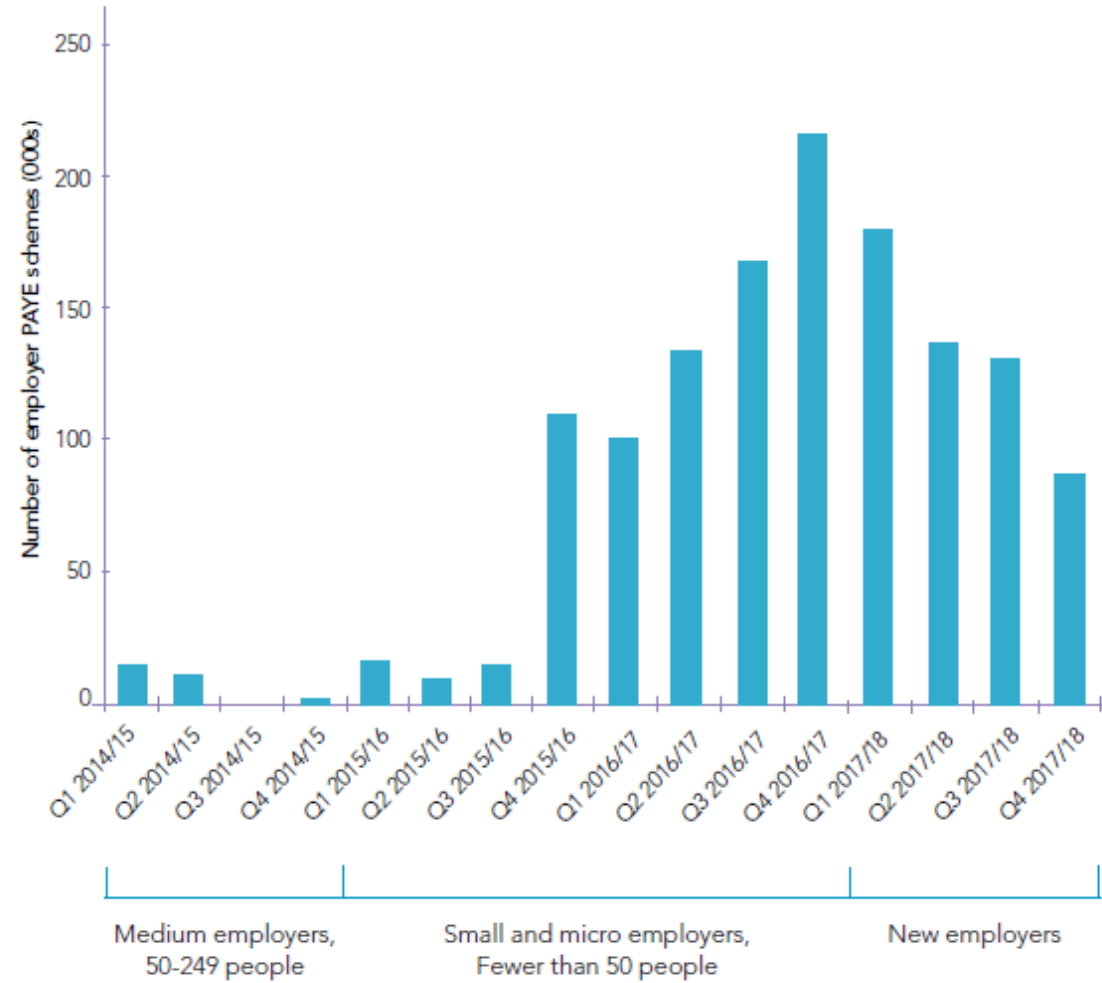
"Automatic enrolment and the new consumer realism" by NEST and The Futures Company

- According to NEST, what percentage of companies need advice on Auto Enrolment?

90%

The Size of the market is the opportunity

Staging volumes by quarter



So many businesses are at risk



- **59%** of limited companies have no key person protection
- **61%** of limited companies have no share protection in place
- **54%** of limited companies have no corporate debt protection
- **63%** of business owners have never heard of Relevant Life Plans



(Source 4: Legal & General Business Protection Research 2013)



MIND THE GAP

	2005 (000s)	2014 (000s)	CAGR (%)
Employees*	24,915	25,817	0.4
GIP	1,684	2,079	2.1
GIP penetration	6.8%	8.1%	

* Total labour force excluding self-employed

Penetration has increased, but still remains unimpressive.

Some employees will have cover via personal policies, but this figure is not identifiable from market data.

UK Group Risk market: People covered 2004-14

GIP schemes provide very good value in a competitive market

	2004	2014
Death benefits	7,799,477	8,651,589 CAGR 0.9%
Long-term DI	1,599,878	2,078,536 CAGR 2.4%
Critical illness	239,264	474,727 CAGR 6.4%

Compound Annual Growth Rate

Lessons to Learn

- The average worker today stays at each of his or her jobs for 4.4 years, according to the most recent available data from the Bureau of Labour Statistics, but the expected tenure of the workforce's youngest employees is about half that
- Today, the average person changes jobs ten to fifteen times (with an average of 11 job changes) during his or her career, which means a good amount of time is spent changing employment.
- Continuation options?

The Need for Education



**WHEN OPPORTUNITY
KNOCKS,
ANSWER THE DOOR**