



Term Insurance
- Direct to Customer Distribution

Families who don't or won't use traditional intermediated channels

'Whose responsibility is it to provide financially if I die or become seriously ill'?

- Myself or my family – 75%

'How important is Life Insurance'?

- Very Important – 60%

'Do you have Life Insurance'?

- Yes – 45%
- Car Breakdown Cover – 56%
- Pet Insurance – 47%

'Why do you have Life Insurance'?

- To pay off my mortgage – 58%

Why do and why don't they buy?



- “Peace of mind” – 73%
- Not tangible – No car insurance, can't drive
- < 1% chance of using, but massive impact

Difficult
sale!

- ‘Cant afford it / poor value for money’ – 45%
- 50% don't actually know the cost
- Complicated, don't know how or where

Excuses,
excuses,
excuses!

The answer?



Take an IFA Proposition and offer direct - No

Proposition – Easy to understand

- No bells and whistles – Complexity and choice = confusion
- Simple Critical Illness – Shortened list of covered illnesses, offered with one fixed benefit level

Journey – Simple

- Simplified Underwriting
- Instant decision – Alternative solution for those that want it
- Multi-device responsive website, with telephony back up

Will direct distribution grow the market?



YES!

Be Brave:

- Marketing costs versus benefits a challenge – SunLife £40m
- Nobody will get it right first time - test and learn strategy needed
- Be positive – Marketing messages should normalise protection

Why?

- Always be customers who want to do it themselves
- Some customers need a nudge, they won't go looking
- Compliments what's already in place through intermediaries