

Press Release
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PEOPLE WANT MORE FROM ILLNESS PROTECTION POLICIES

- Pay out relative to severity of illness preferred
- People want continuation of cover after a claim is made
- Use of technology and rewards could help people engage in health

Research released today from VitalityLife and The Syndicate shows that people want more from their critical or serious illness cover than many standard policies offer, particularly amongst women and younger generations.

When asked which appealed most, three times as many people (49%) would prefer an illness policy that paid differing amounts relative to the severity of their condition, even if it meant they could receive a smaller pay out in some instances, when compared to a policy that pays out the same amount regardless of the illness severity (16%). This increases to 51% of women who would prefer a severity product and 63% of those aged 18-24.

Similarly, when asked if they thought it was important if an illness policy ceased or continued after a claim is made, almost three quarters of people (72%) think reinstatement of cover is important, increasing to 74% for women. The majority (82%) of those aged 18 -24 thought it was important, and 79% of 25 – 34 year olds.

Engagement between health technology and insurance has been a talking point for many years, as the popularity of wearable devices, such as Garmin’s range of activity trackers and Fitbits, rises. When asked if people would be willing to share health data with their insurer via a wearable device, which could result in paying lower premiums, 43% said they would consider doing this. This was slightly more popular amongst men (46%) than women (41%). The sexes were split evenly (38%) on being interested in rewards linked to healthy behaviour, such as cinema tickets and coffee.

Tom Conner, Director at Drewberry Insurance, said: “When designing products it is essential to conduct research like this that directly asks the end user what they want. It is not unsurprising that the research shows that customers want products that more closely fit with real life situations and provide more flexibility.”

Justin Taurog, Managing Director for Sales & Distribution at VitalityLife, commented: “Protection has long represented something that people put in a drawer and forget about and this needs to change. More engagement with policyholders and offering tangible benefits can change the way we interact with protection. This can give people a real incentive to be healthier with the goal of helping

them to lead longer, happier lives. An insurer's core purpose is of course to pay claims, but advisers and providers can also help people to see that policies can offer many more benefits."

For more information, please visit vitalitylife.co.uk/adviser

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For more information, please contact:

Dan McMillan
Head of PR, Vitality
dan.mcmillan@vitality.co.uk
07824 604 926

Kevin Carr
Carr Consulting & Communications
kevin@carrcand.co.uk
07887 838811

Notes to editors:

Research was carried out by Opinium Research on behalf of VitalityLife and The Syndicate amongst a nationally representative online poll of 2006 people aged 18+, between 15 – 19 April 2016.

Vitality – changing health and life insurance for good

Vitality is the insurance business that helps people understand how they can improve their own personal health. Vitality makes it cheaper and easier for its members to get healthy and gives them rewards to keep them motivated, through a range of discounts and incentives.

Vitality Ambassadors Jessica Ennis-Hill, Jonny Wilkinson and Joe Root are role models who embody the values of Vitality. They are all using their passion for living a healthy lifestyle to motivate others to make positive changes. Taking small steps today can dramatically improve wellbeing over the long-term, regardless of your current state of health.

VitalityLife is one of the fastest growing life insurers in the UK. It is unique to the current UK protection market and its suite of products includes Life Cover, Income Protection Cover, Serious Illness Cover, Business Protection and other additional products. By recognising people's efforts to look after themselves, VitalityLife is able to offer a more comprehensive set of benefits than traditional insurers at a very competitive price. For more information visit vitalitylife.co.uk