

Media Release

Direct Life Insurance Market Update 2022

29 August 2022

Stabilisation in the Direct and Advised Life Insurance markets

Latest research from Plan For Life shows that following the dramatic falls in sales in both the Direct and Advised Life Insurance markets up to the end of 2019, some much-needed stabilisation has taken place.

Direct Insurance sales dropped from \$305.5 million in 2018, to \$114 million in 2019, followed by \$96.8 million in 2020 and \$94 million in 2021.

The first quarter 2022 produced around \$18 million in sales, which is lower than the corresponding first quarter of 2021 (\$22 million), but if trends follow those of the last two years, some catch-up can be expected over the rest of 2022, with \$96.4 million currently forecast.

A Standard Forecast model has been prepared by Plan For Life using a conservative approach which assumes a slow recovery from current sales-levels (\$94m), improving to \$96.4m in 2022, \$121.0m in 2026 and \$160.7m in 2031. The Standard Forecast shows In Force Premium growing from \$1,606.5m at end of 2021 to \$2,215.0m by end of 2031.

An alternative High Forecast model, which adopts a higher rate of sales recovery per insurer, with sales reaching \$128.8m in 2026 and \$174.4m in 2031.

The Forecasts are based on each individual insurer's recent track record and type of sales channels used. Profiles were developed of lapse rates and net premium increase rates and a series of projected sales, net premium increases, lapses and In Force premiums developed in each case.

More Information about Plan For Life research:

<https://www.pflresearch.com/product-descriptions/2020/9/1/direct-life-insurance-report-2022>

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About the Media Release

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