UK Market Insights 2022

THE UK MARKET SHARE OF MUTUAL AND NOT-FOR-PROFIT INSURANCE COMPANIES
The UK mutual insurance sector in 2021

GBP 22.8 billion in premium income

GBP 14.2 billion in life premiums

GBP 8.6 billion in non-life premiums

17.1% annual market growth (compared to total UK insurance market growth of 8.9%)

7.9% share of the UK market (2020: 7.3%)

GBP 202.1 billion in assets held (2020: 190.1 billion)

Total investments of GBP 176.3 billion (2020: 164.5 billion)

26,400 people employed by mutual insurers

32.3 million policyholders served
UK market summary

In 2021, the total UK insurance market rebounded from a challenging 2020 with an 8.9% growth in total premium volume (2020: -6.9%), consisting of an 11.0% increase in life business and a 4.0% increase in non-life business.

Premium growth in 2021 was the strongest the total UK insurance market had seen since 2018, and the third-strongest year the market had experienced since 2008. In 2021, the UK remained the largest insurance market in Europe and the fourth largest in the world.¹

By comparison, aggregate premiums of UK mutual and not-for-profit (hereafter referred to as “mutual”) insurers increased by 17.1% in 2021 compared to the previous year, comprising a 28.2% growth in life business and a 2.6% growth in non-life business.

Since 2007, UK mutual insurers have seen total premium levels almost double (an increase of 92.9%), compared to a total UK insurance market growth of just 7.6%.

¹ Total market data courtesy of Swiss Re’s sigma 4/2022, July 2022.
² Includes mutual insurance companies, not-for-profit insurers, friendly societies, cooperative insurers, discretionary mutuals, and also limited companies majority-owned by mutual, cooperative, charitable or non-profit organisations (UK and foreign-based).
There were approximately 130 mutual insurers active in the UK insurance market in 2021. These insurance companies collectively employed 26,400 people and served 32.3 million policyholders.

In 2021, the UK mutual sector reported GBP 22.8 billion in gross written premium (2020: GBP 19.4 billion) and exceeded the annual growth rate of the total UK insurance market by 8.2 percentage points. This represented the eighth year of positive growth for the UK mutual sector over the last decade, and the sixth time UK mutuals have outperformed the wider UK insurance market in the past eight years.

As a result of this performance, the mutual sector’s share of the total UK insurance market has increased from 4.4% in 2007 to 7.9% in 2021.
Life and non-life³ business

The total life insurance market in the UK grew by 11.0% in 2021, whilst the non-life market increased by 4.0%. In comparison, life business in the mutual sector grew by 28.2%, with non-life business increasing by 2.6%.

The mutual sector’s share of the total UK life insurance market has increased from 2.5% in 2007 to 6.9% in 2021, whilst their market share of the total UK non-life insurance market stands at 10.3% today (2007: 11.1%).

Up until 2016, the UK mutual non-life insurance market had consistently exceeded its life counterpart, however, since 2017, the reverse has been true.

³ “Life business” refers to life protection, pensions and annuities, investment and savings, and income protection policies. “Non-life” business refers to all general insurance, including health insurance.
The UK mutual insurance sector held total assets of GBP 202.1 billion in 2021, an increase of 6.3% from 2020 (GBP 190.1 billion).

Total investments of the mutual sector were valued at GBP 176.3 billion in 2021 (2020: GBP 164.5 billion) and represented 87% of mutual insurers’ total assets.

The five largest UK mutual insurers by assets represented 88% of the total assets of the UK mutual sector.