



2024

# Profile of an **IP customer**

Spotlight on **Business** IP

In collaboration with **iptf**





Business IP continues to represent only a small fraction of overall IP sales - just over 6% in 2024

**Jacqui Durbin**  
Head of Product | Sourcing



## Spotlight on Business IP

While Income Protection has seen significant growth in sales over the last few years, with both advisers and clients increasingly recognising the value these policies offer, Business IP continues to represent only a small fraction of overall IP sales - just over 6% in 2024, highlighting a key area for potential market expansion.

Despite the crucial role Business IP can play in safeguarding companies and key personnel, uptake remains limited. Whether it's Key Person IP, protecting a business against the financial impact of losing a critical employee, or Executive IP, ensuring business continuity in the event of illness or injury, these policies are still underutilised.

In this report, we take a closer look at Business IP, delving into the numbers, trends, and barriers that may be holding this market back. By analysing who is purchasing Business IP, we aim to provide valuable insights for advisers, insurers, and businesses alike.

As the need for financial resilience continues to grow, is it time for Business IP to take center stage?

### Enjoy the read!



We aim to help educate advisers, providers, and stakeholders with the knowledge to meet the unique needs of modern businesses to drive change in how we protect business income

**Vicky Churcher**  
Executive Director | IPTF



## Untapped Opportunity

Business Income Protection (IP) is one of the most undersold yet critically important areas in the protection market today.

At the IPTF, we believe in supporting businesses, particularly SMEs and key individuals that form the backbone of the UK economy.

While personal Income Protection has seen encouraging growth, Business IP remains a largely untapped opportunity.

This report highlights the rising demand, the evolving profile of those purchasing Business IP, and the strategic role it plays in ensuring business continuity, employee wellbeing, and long-term financial resilience.

By unlocking insights into market trends, customer behaviours, and the policy features that are gaining traction, we aim to help educate advisers, providers, and stakeholders with the knowledge to meet the unique needs of modern businesses to drive change in how we protect business income.



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## Acknowledgements

Recognising the contributors and industry experts who helped shape this report

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# The Growing Demand

Examining the untapped rising demand for Business Income Protection





Business protection is really the most undersold group of protection policies in the market

**Nathaniel Lee**

Managing Director | Business Protected | IPTF Ambassador

## The untapped rising demand for Business IP

It's been widely reported that the industry has seen significant growth in income protection (IP) sales over the last few years as advisers and clients alike see the value these policies can offer.

It is often said over the years that income protection is the most undersold protection policy, with sales lagging behind life assurance and critical illness cover historically, probably due to its more complex nature, so it is great to see its growth.

Having said that, I would argue that business protection is really the most undersold group of protection policies in the market.

Sales in this area will naturally be lower given that there are fewer small to medium sized enterprises (SMEs) than there are individuals, however, there is still a significant number.

Around 5.6m at the start of 2023 according to [GOV.UK](#) estimates. [One source](#) confirms that these businesses employ about 16.6m employees which is 60% of the employees in the private sector.

Business protection and specifically its various options for Income Protection can be incredibly powerful safety nets for business clients who range in size from single individuals to large corporates.

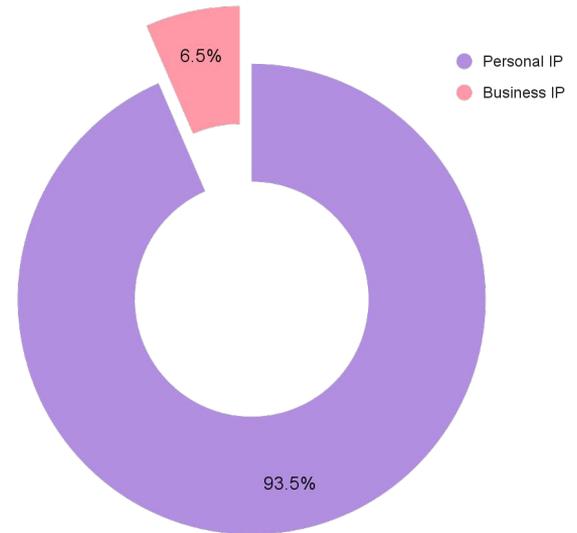


## Business IP only makes up a **small fraction** of all IP sales



While Income Protection has seen significant growth in sales over the last few years as advisers and clients alike see the value these policies can offer, Business IP continues to represent only a **small fraction** of overall IP sales, highlighting a key area for potential market expansion

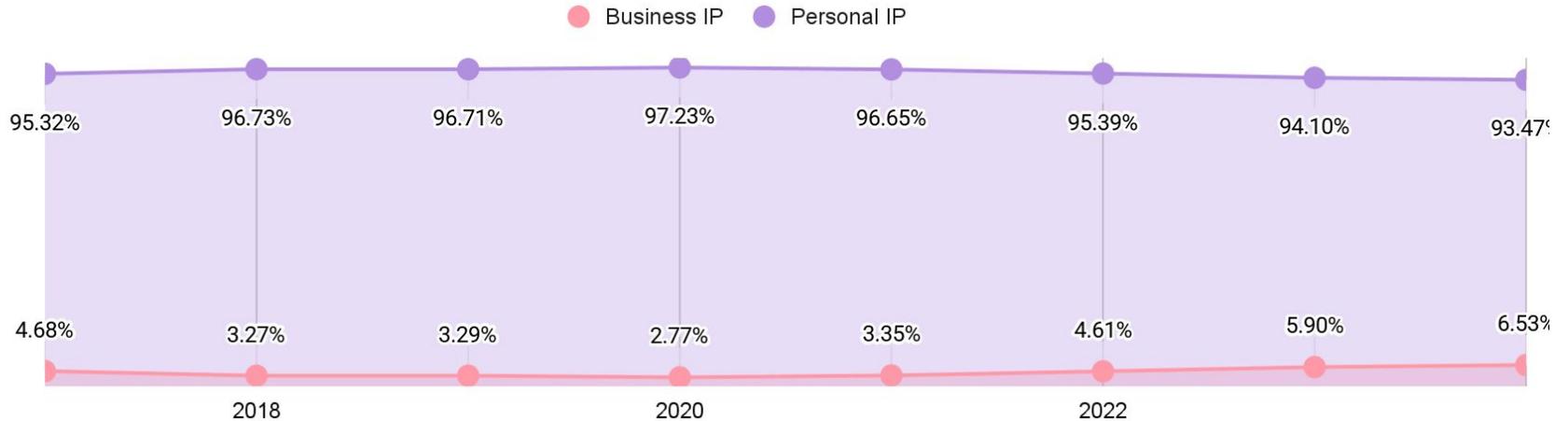
% split of applications in 2024





## Business IP only makes up a **small fraction** of all IP sales

The % of IP policies being sold as Business IP has slightly increased since 2017



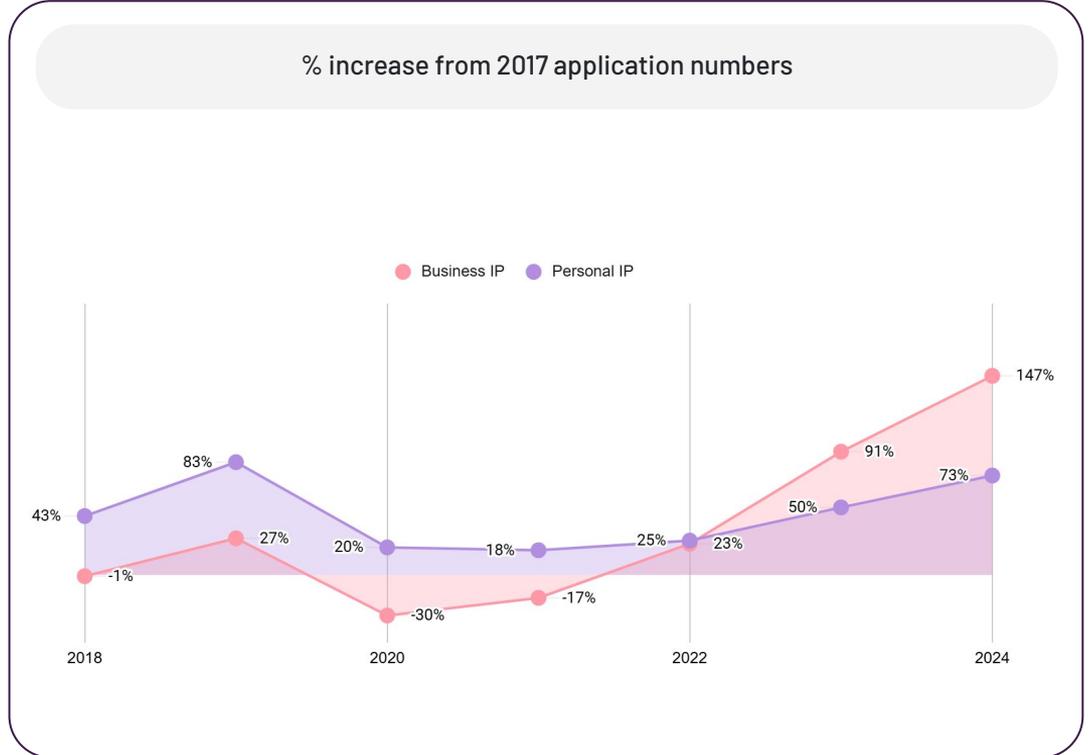


## IP applications over the years



Since 2022 Business IP applications have been growing at a higher rate than Personal IP

In 2024 Business IP applications were up **147%** on 2017



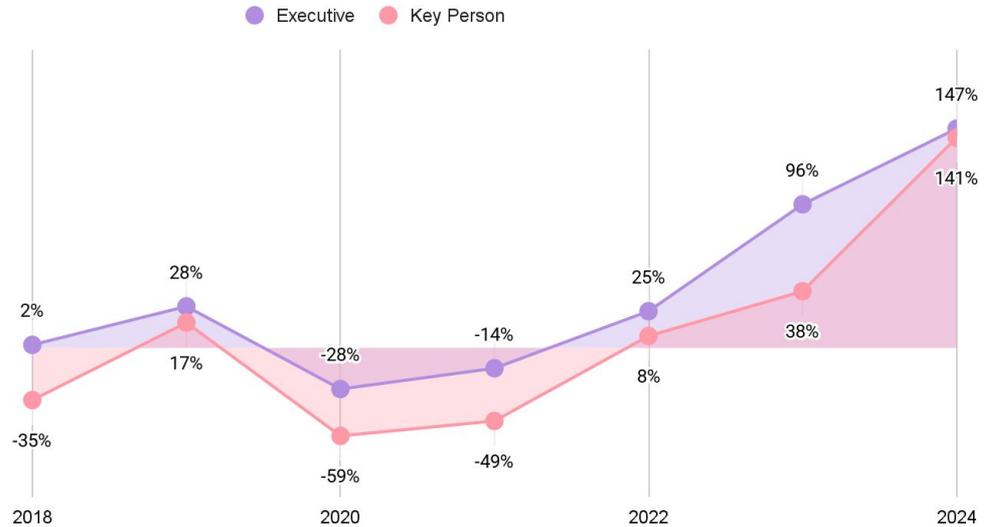


## Business IP applications over the years



In 2024 both Executive and Key Person IP saw an increase of over **140%** on 2017

% increase from 2017 application numbers





## The growing importance of Business IP



### Business Continuity & Risk Management

Are businesses increasingly prioritising financial stability in the event of key employee absence?

Does the growing awareness of operational risk make IP a more attractive option?



### Employee Retention & Talent Attraction

With a competitive job market, are businesses using Executive IP as a tool to retain and attract key employees?

Do companies see IP as a valuable employee benefit that enhances financial security and workplace loyalty?



### Economic Uncertainty & Market Risks

Has inflation, economic downturns, and financial instability made businesses more cautious about income protection?

Are businesses taking a more strategic approach to risk management following recent global economic shifts?



### Tax Efficiency & Financial Planning

Do businesses see Business IP as a tax-efficient benefit that can be written off as an expense?

Are firms incorporating IP into their long-term financial planning as a cost-effective protection strategy?



### Increased Awareness & Adviser Influence

As businesses become more aware of the financial risks of losing key employees, are advisers and insurers playing a bigger role in driving Business IP adoption?

Are industry campaigns and proactive conversations repositioning Business IP as an essential part of financial planning?



### Growth of SMEs & Entrepreneurial Culture

Are more self-employed professionals and small business owners recognising the importance of protecting their income?

Has the rise in startups and independent businesses increased demand for flexible and scalable Business IP solutions?

# Customer Profile

A deep dive into who is buying Business IP, their preferences, and how their needs are evolving





## Scope of this report

This report focuses exclusively on **Business Income Protection (IP) policies**, specifically **Key Person IP** and **Executive (Life of Another) IP**. These policies play a crucial role in protecting businesses against the financial impact of losing key employees due to illness or injury.

The insights presented are based on New Business clicks (Applications) for IP via Iress, offering a data-driven view of market trends, adoption rates, and opportunities for growth in the Business IP space.

Year on year, Iress has observed consistent growth in IP applications—driven by both increasing market demand and Iress's own expansion.

### Out of Scope

This analysis does not cover **Group IP policies**, which are structured differently and serve a broader employee base.





## The majority of applications in 2024 were for **Executive policies**

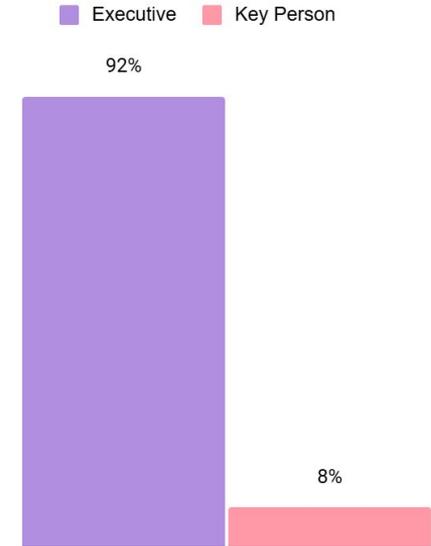
**92%** of applications were for Executive IP

Provides a sick pay arrangement for businesses for their key members of staff beyond the period they could comfortably cover sick pay from profit

**8%** of applications were for Key Person IP

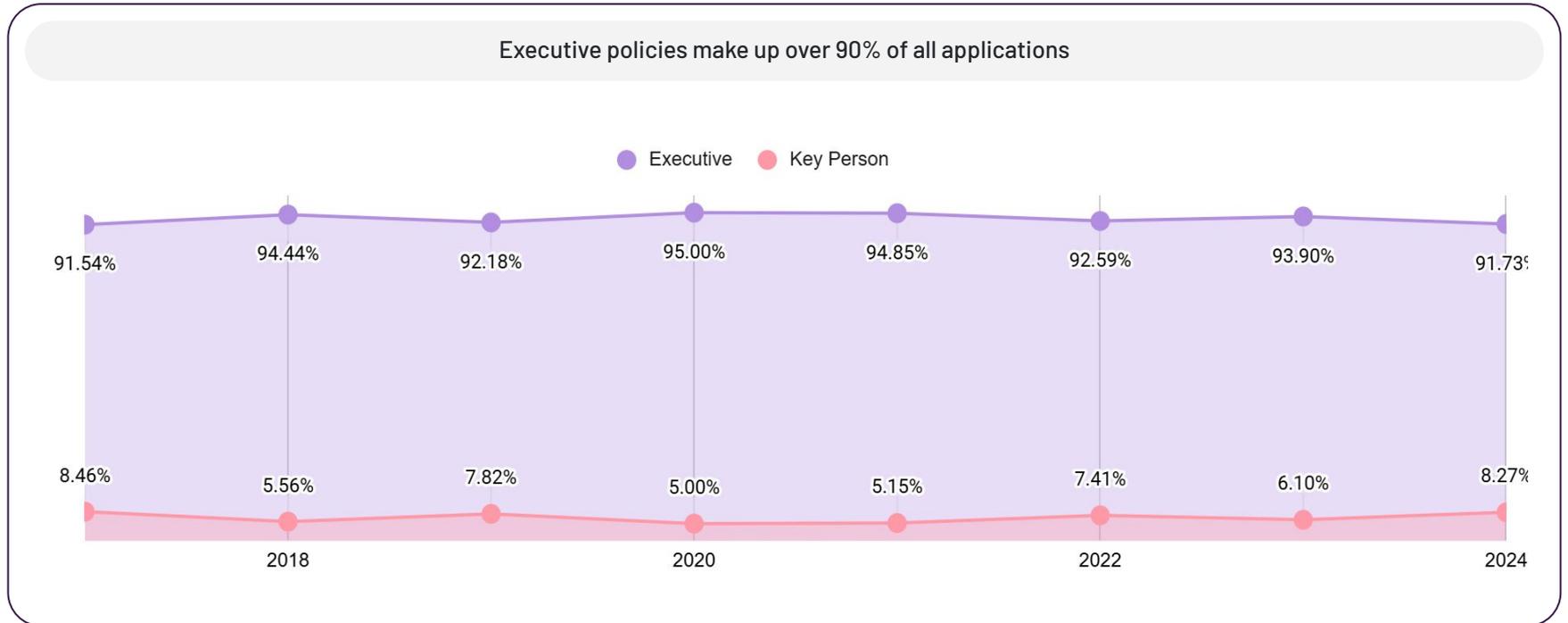
Ensures that the business has the financial resources to weather the absence of key individuals, which can help cover temporary replacement costs or offset the loss of revenue

% split of applications in 2024



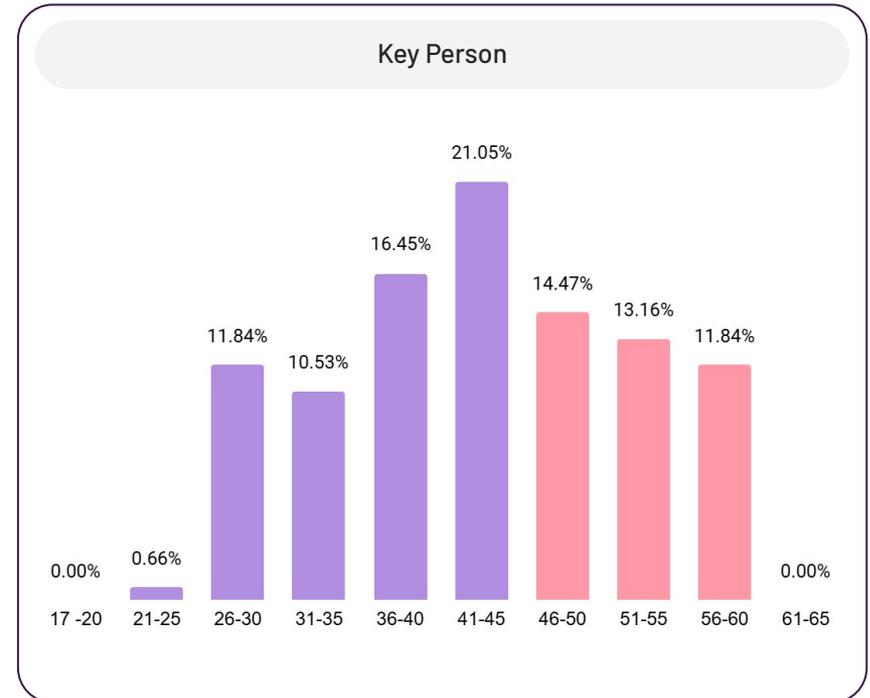
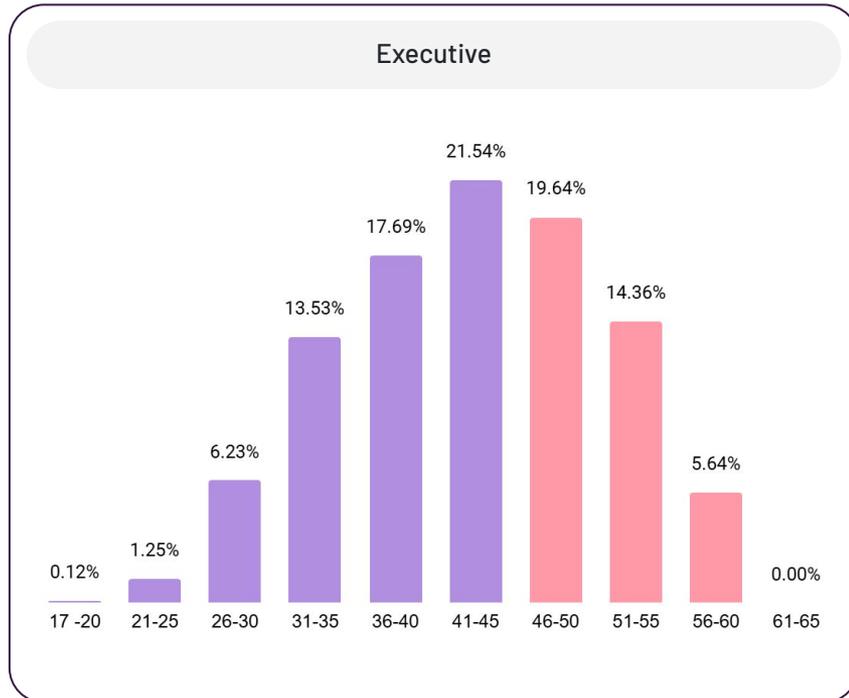


## Since 2017 most Business IP applications have been for **Executive policies**





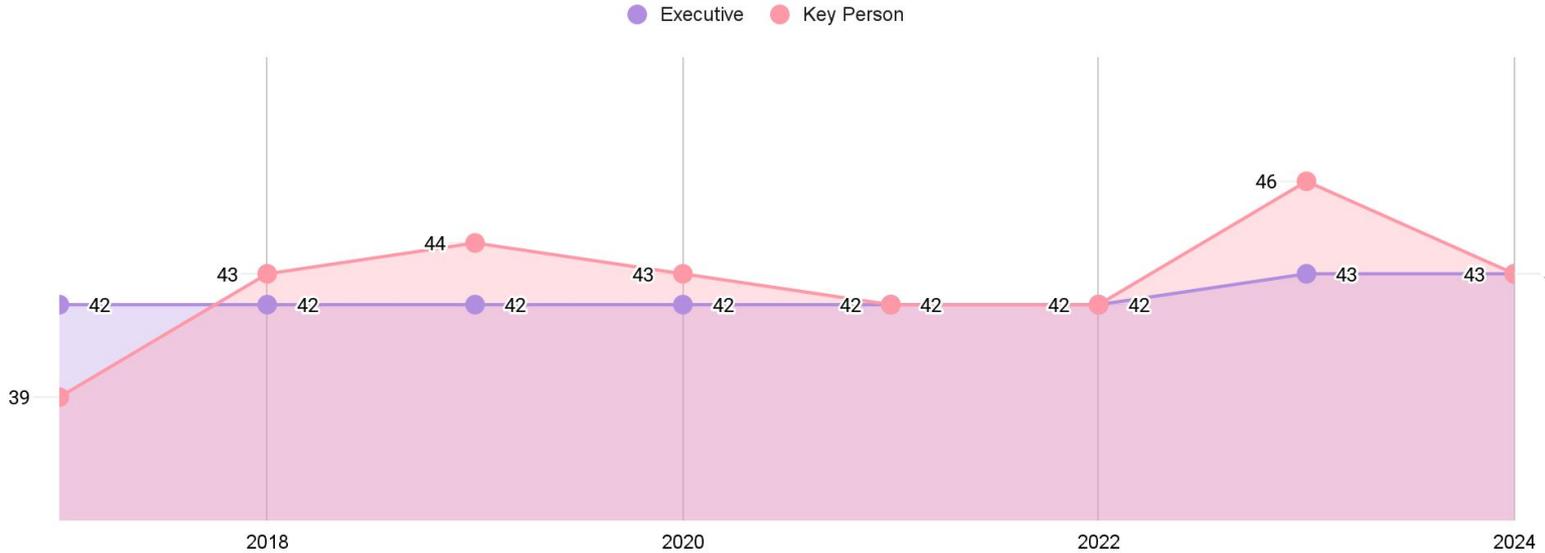
In 2024, **60%** of applications were from people **45** or younger, and the age group most likely to buy were **41-45**





## In 2024, the average age of someone buying Business IP was **43**

The average age has remained fairly consistent since 2017 - Key Person has seen the biggest increases overall

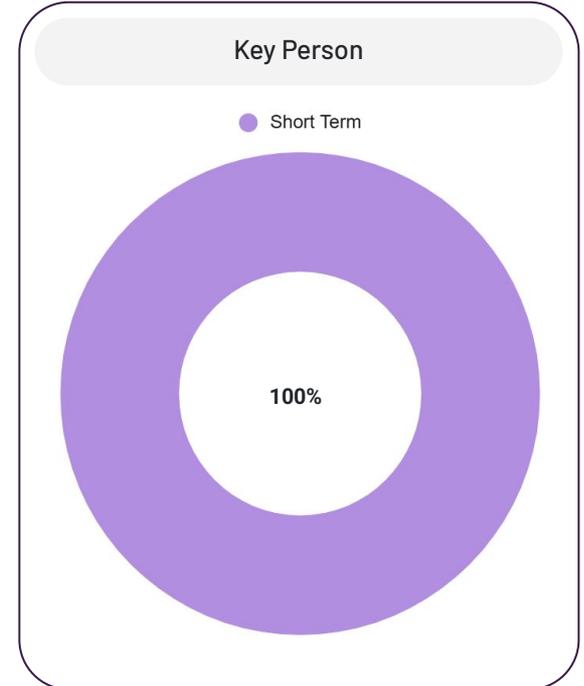
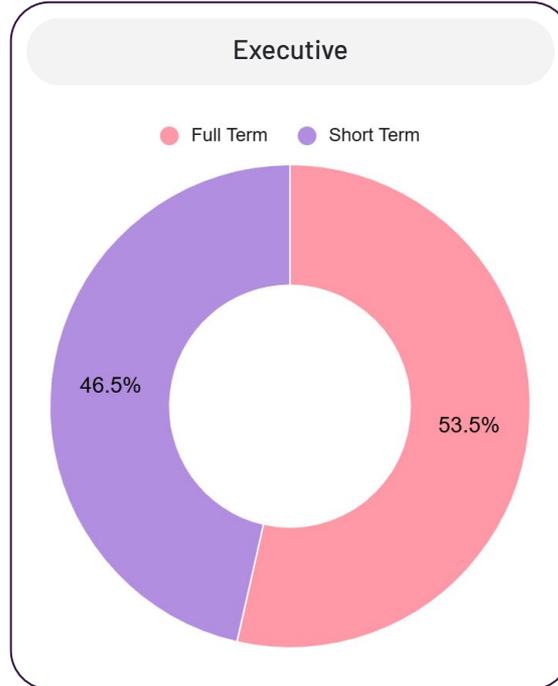




## For Executive IP the split between full term and short term IP seems fairly even



Key Person IP is designed to protect a business from financial losses caused by the **temporary** absence of a vital employee, providing coverage only until the individual returns to work or an appropriate replacement is secured





## In 2024, the split between Full Term and Short Term IP seems fairly **even** across most age groups

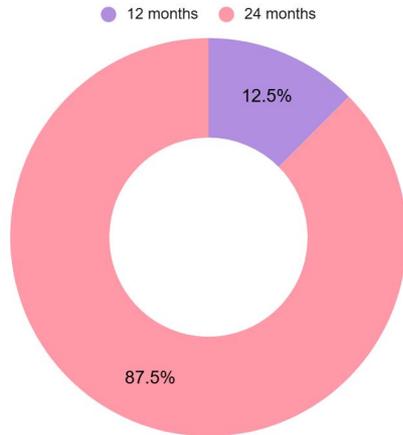
Short Term Business IP is slightly more popular with older age groups



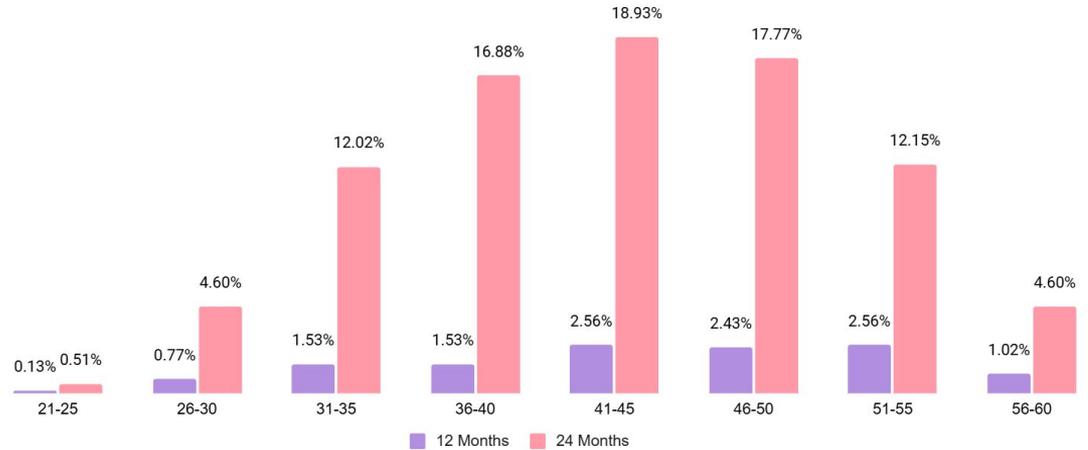


## In 2024, just over 87% of Executive Short Term policies were for 2 years

### Preference for 2 year policies



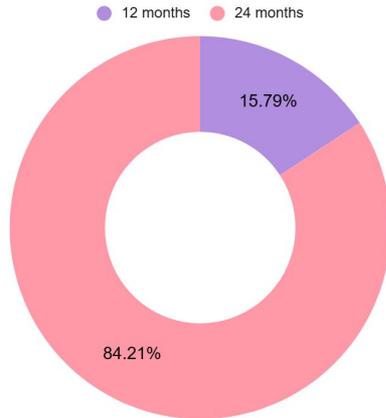
### All age groups prefer 2 year policies



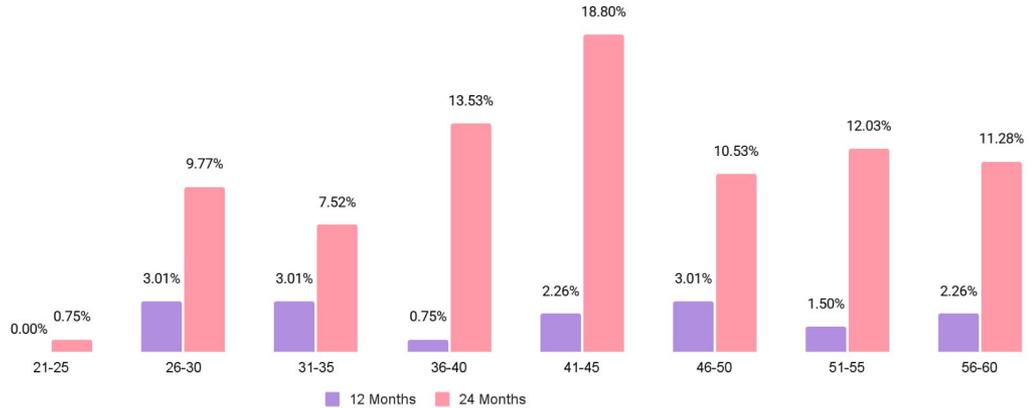


## In 2024, just over 84% of Key person Short Term policies were for 2 years

### Preference for 2 year policies



### All age groups prefer 2 year policies





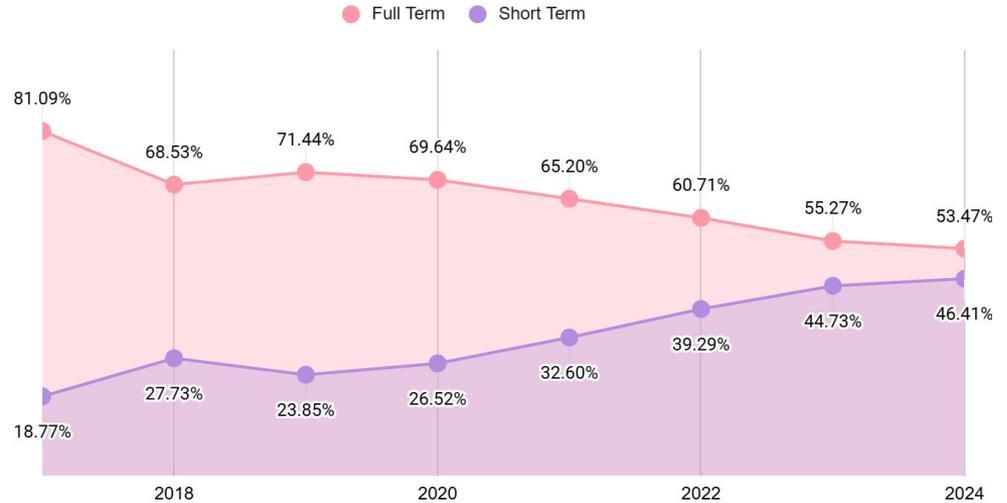
Since 2017, Full Term Executive IP has steadily **declined**, while Short Term policies have **risen** in almost perfect opposition, with a **28% shift** in each direction



### The shift in preference is striking

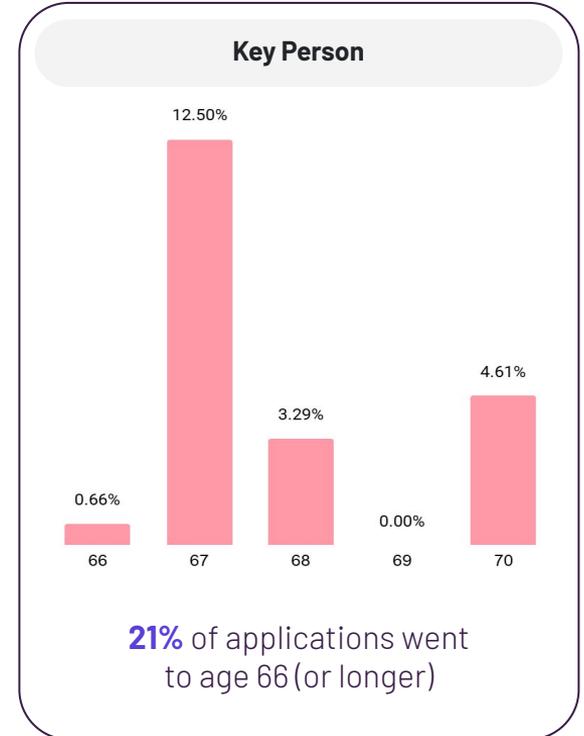
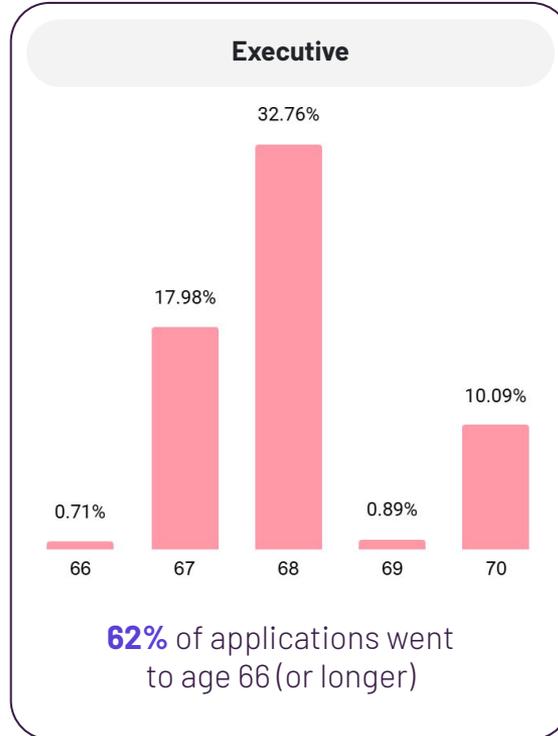
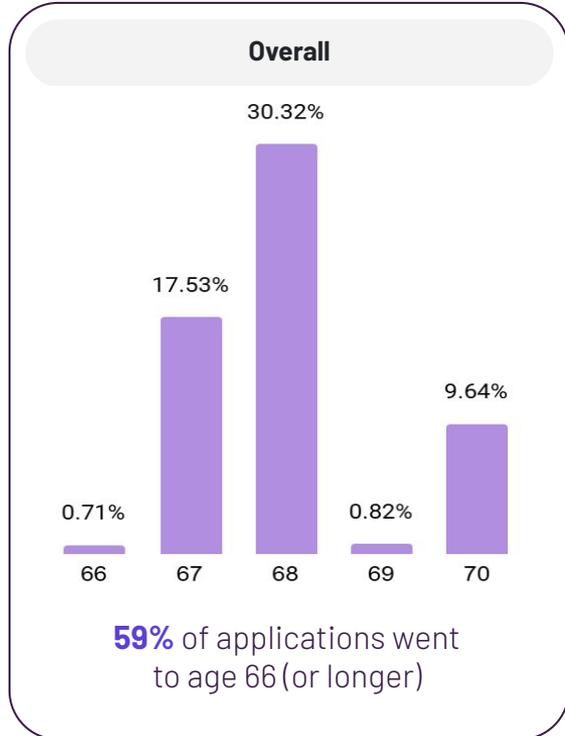
While Full Term policies once dominated the market, the gap between Full Term and Short Term has narrowed significantly, reaching near parity in 2024

Decline in people choosing Full Term Executive policies





## As the state pension age **continues to rise** are people looking to protect their income for longer?



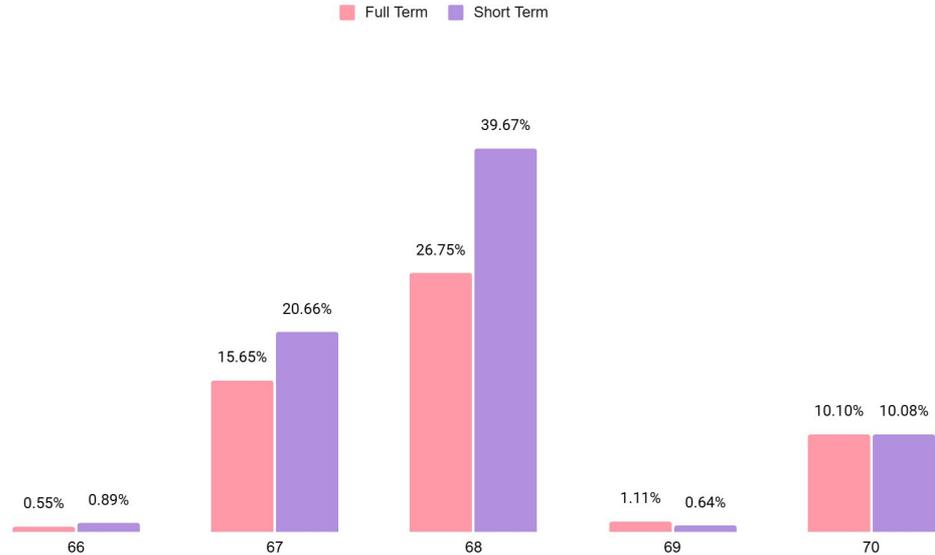


## In 2024, **54%** of Executive Full Term policies and **72%** of Executive Short Term policies went to age 66 (or longer)



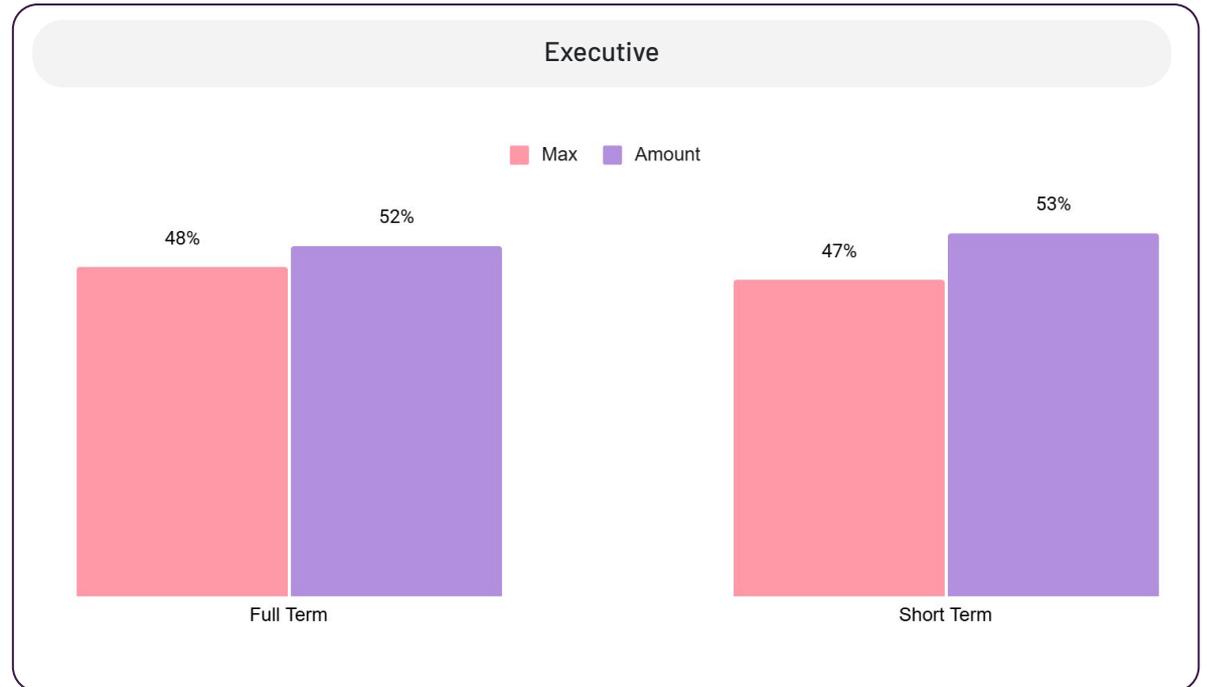
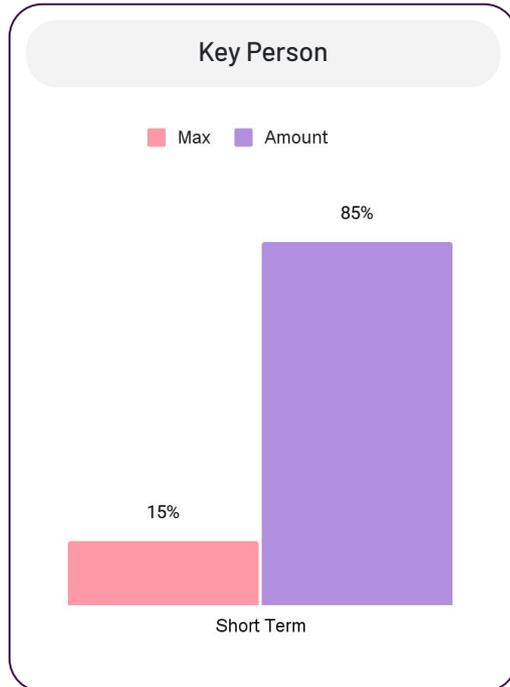
With just under **half** of Executive policies being Short Term, and **73%** extending into retirement, there is a clear trend of businesses opting for coverage that supports key employees well beyond their traditional working years

62% of all Executive policy applications went to age 66 (or longer)





In 2024, **55%** of all Business IP policies were for a specific amount (not maximum benefit), however there is a big difference in behaviour when you look at the individual policies





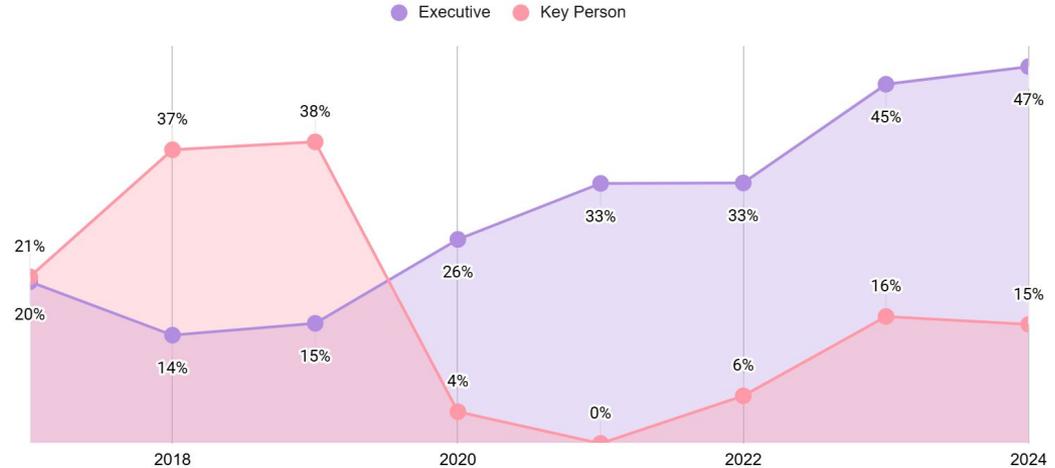
## Since 2017, the % of people choosing maximum benefit policies has **dramatically** changed for the different policy types



The shift toward maximum cover in Executive IP **coincides** with the increasing use of short-term policies

Are businesses looking for a cost-effective way to provide higher protection without long-term financial commitments?

% of applications for maximum benefit since 2017





## Why was the average monthly benefit for Key Person so high in 2024?



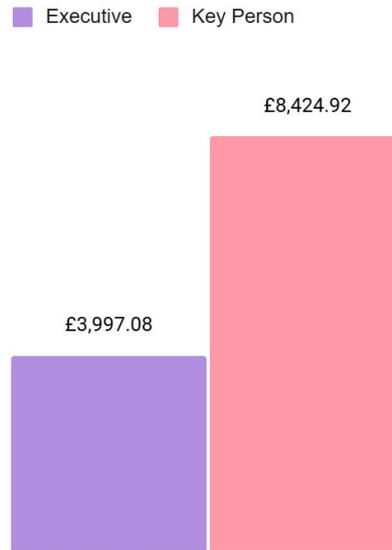
### Salary vs. Lost Revenue

Key Person IP is primarily designed to compensate a business for lost revenue due to the temporary absence of a key individual. The high average benefit amount suggest that payouts are based on more than just salary replacement

#### Salary plays a role, but it's not the full picture

A high-earning professional (like a dentist or director - 49% of applications) commands a high salary, which influences the policy value. **But is lost revenue the bigger factor**—for businesses relying heavily on a key person's specialist skills, client relationships, or business generation, the financial impact of their absence can be far greater than their salary alone

#### Average monthly benefit in 2024





## Was the average monthly benefit for Executive Income Protection in 2024 enough to provide **sufficient financial support**?



Directors were the most common applicants for Executive Income Protection, accounting for over 47% of applications

These policies typically cover up to 80% of income (with limits), but how does this compare to actual earnings?

Director **salaries** can range from £66,000 to £124,000 per year, meaning the expected monthly cover should be around £4,400 at the lower end

With the average Executive IP payout at £3,997.08, does this suggest a potential shortfall in financial protection for directors?

Average monthly benefit in 2024





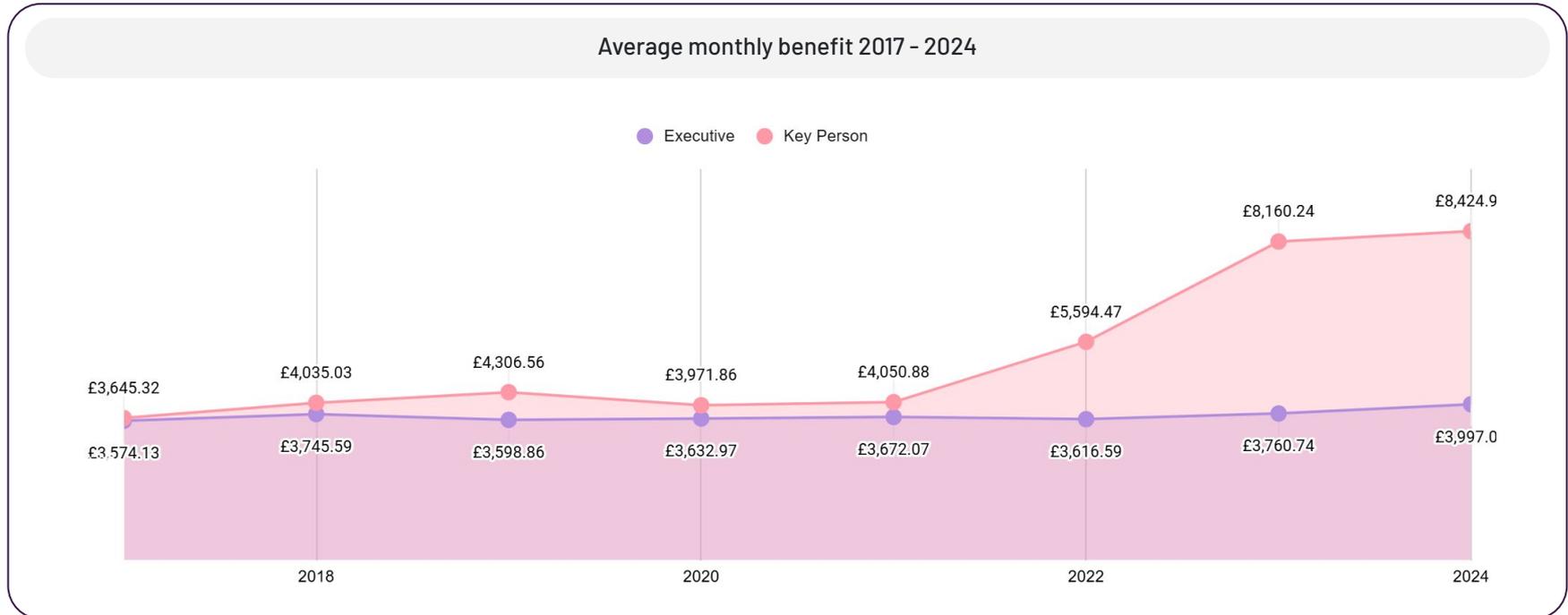
For Executive policies the average is fairly **flat** across all age groups, but for Key Person there is a lot of **variation**

Average monthly benefits by age group in 2024



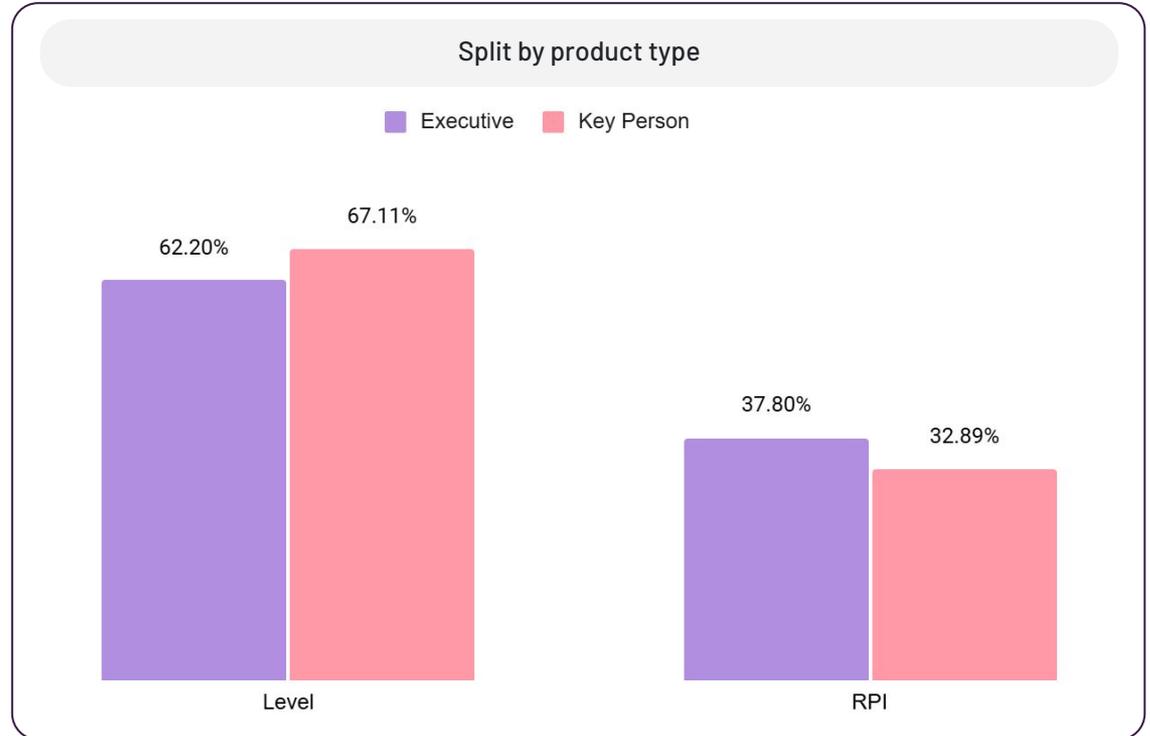
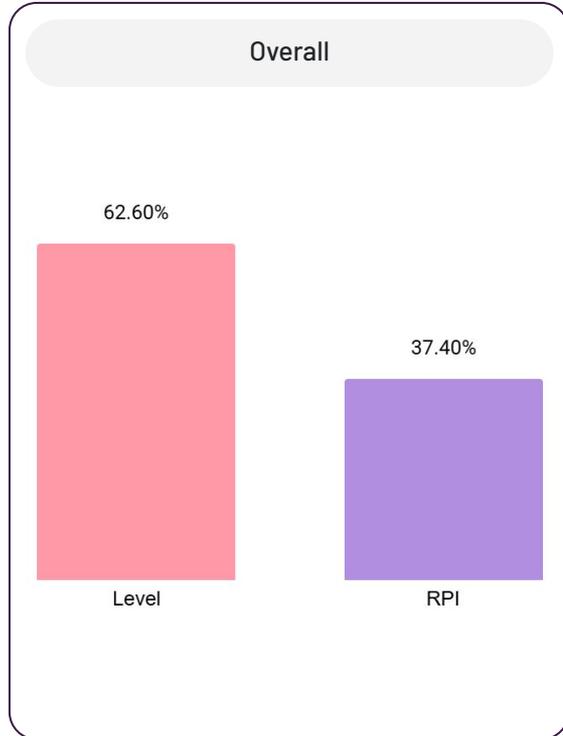


Since 2017, the average monthly benefit for Executive policies has remained fairly flat, however there has been a sharp increase for Key Person policies in the last two years





## In 2024, just over 60% of all policies sold had level cover



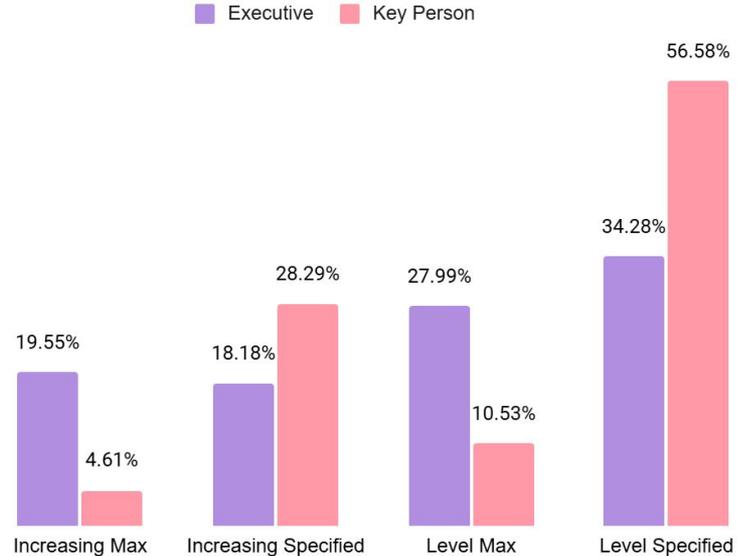


## In 2024, just over 18% of maximum benefit policies were sold on an increasing basis



While buying IP on a maximum basis can provide strong initial protection, can RPI-linked increases lead to over-insurance, **higher premiums**, and **payout reductions** if earnings don't rise at the same rate?

Almost 20% of Executive policies were sold on an increasing Max basis





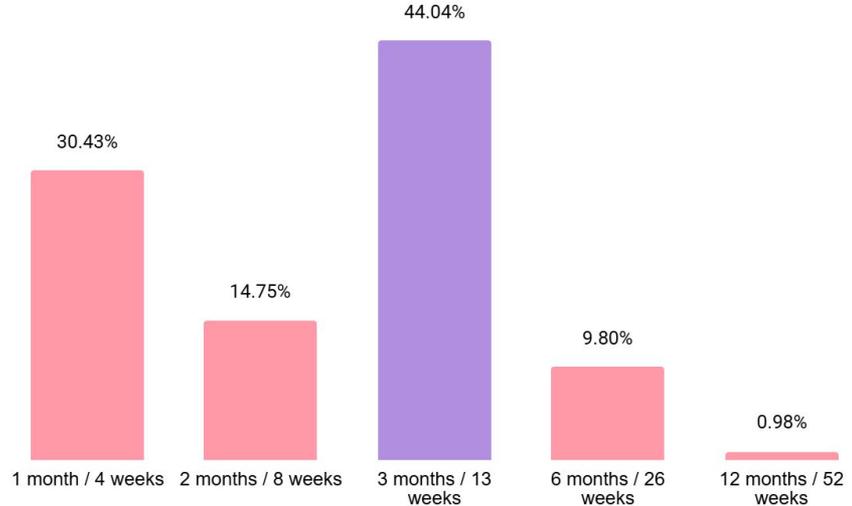
## In 2024, 44% of all policies sold has a deferred period of 13 weeks



Many executives and key employees have contracts with enhanced sick pay, often covering full salary for the first 3 months (13 weeks)

Does this make a 13-week deferred period a cost-effective choice?

55% of policies had a 13 week or longer deferred period





## In 2024, 44% of all policies sold has a deferred period of 13 weeks

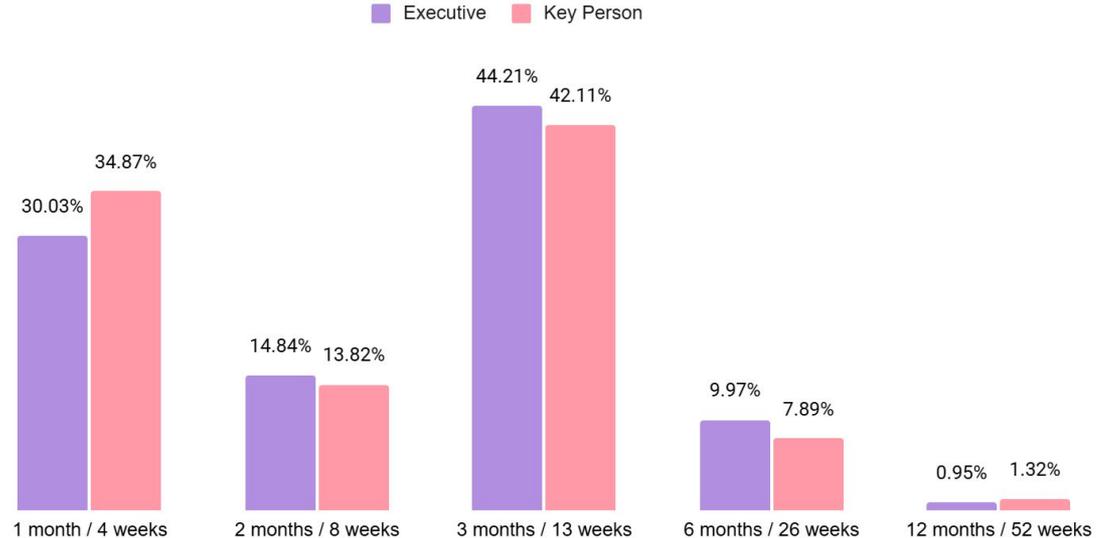


### The Trade-Off: Lower Costs vs. Financial Security

If employer-funded sick pay is insufficient, the employee may face financial hardship before the benefit kicks in

A business may experience financial strain before the payout begins if the key employee's absence immediately impacts revenue (e.g., dentists, consultants, or revenue-generating roles)

### 55% of policies had a 13 week or longer deferred period





## In 2024, over 50% of all applications were for the same 10 occupations



As you would expect the most common applicants were **directors**, with **46%** of applications overall

**47%** - Executive

**32%** - Key Person

### Executive - 58% of applications

Company Director (admin. duties only)	18.52%
Director - Company - admin only	13.35%
Director - Company - other	9.32%
Business Consultant	5.22%
Dentist	2.97%
Director - Other	2.31%
Director - Managing - admin only	2.08%
Director - Managing - other	1.66%
Accountant	1.60%
Project Manager/Programme Manager	1.31%

### Key Person - 65% of applications

Dentist	13.16%
Director - Company - admin only	12.50%
Company Director (admin. duties only)	8.55%
Director - Company - other	7.89%
Accountant	5.26%
Solicitor	3.95%
Surgeon	3.95%
Art Director	3.29%
Director - Managing - admin only	3.29%
Managing Director - admin/office based	3.29%



In 2024, the proportion of applications from smokers was **lower** than the ONS estimate, which indicates that around 12% of the population are smokers.

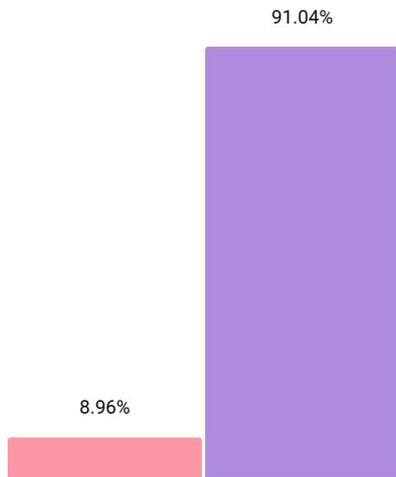


Interestingly, the proportion of applications from smokers was lower than for Personal IP which was just over 14%

Why do you think the proportion of smokers applying for Business IP is lower than both the national average (12%) and Personal IP (14%)?

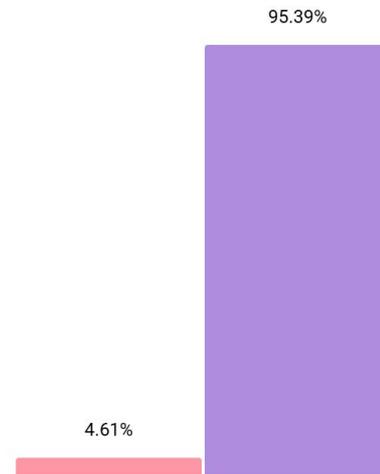
#### Executive

Yes No



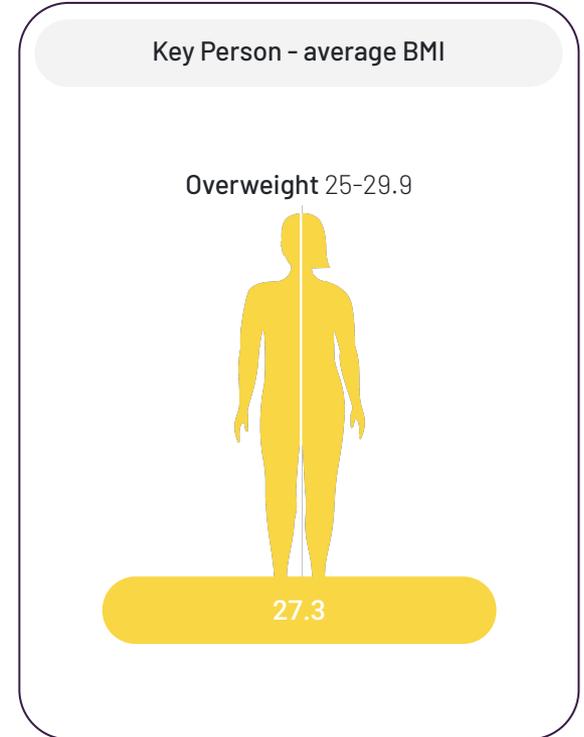
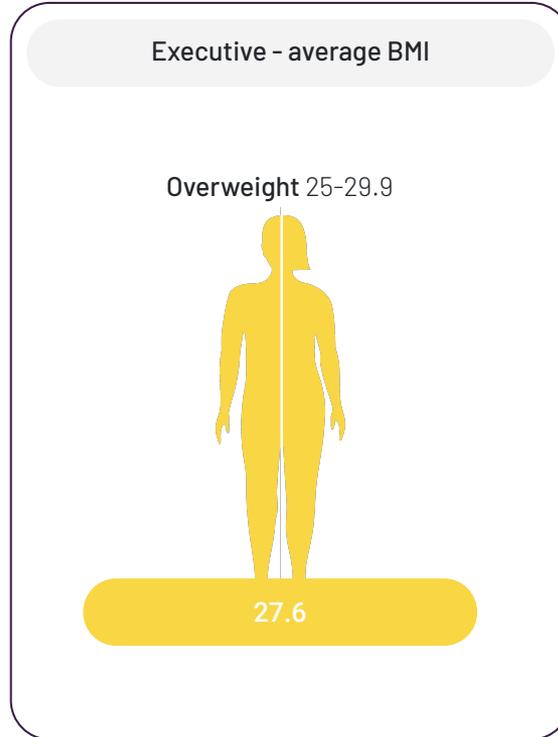
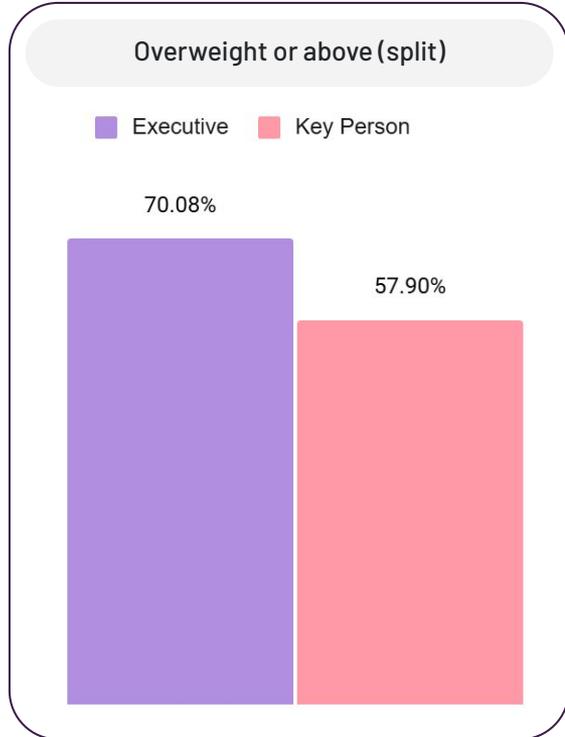
#### Key Person

Yes No





## In 2024, just over 69% of all BMI disclosed was in the overweight or above category



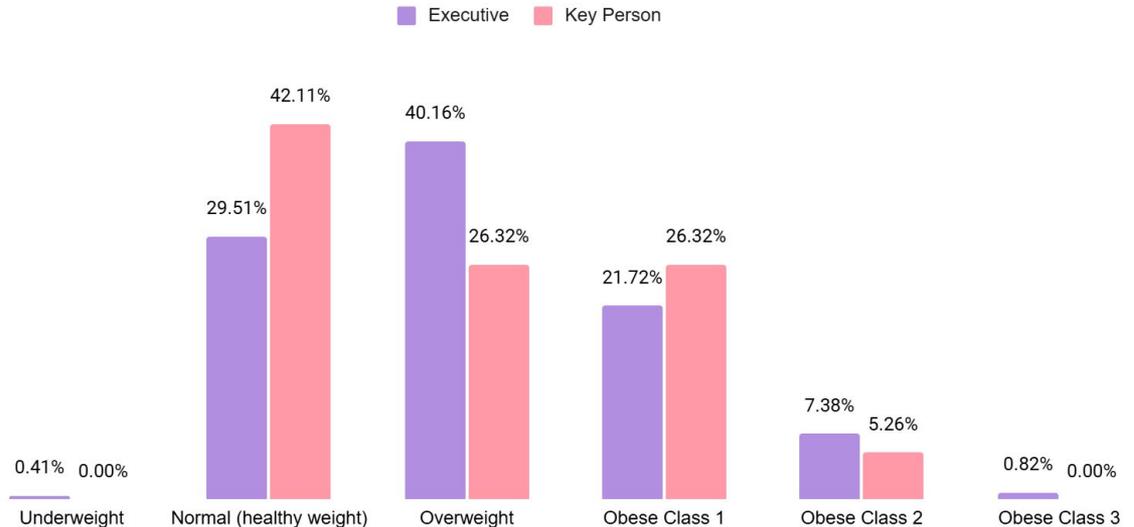


## In 2024, just over **69%** of all BMI disclosed was in the overweight or above category



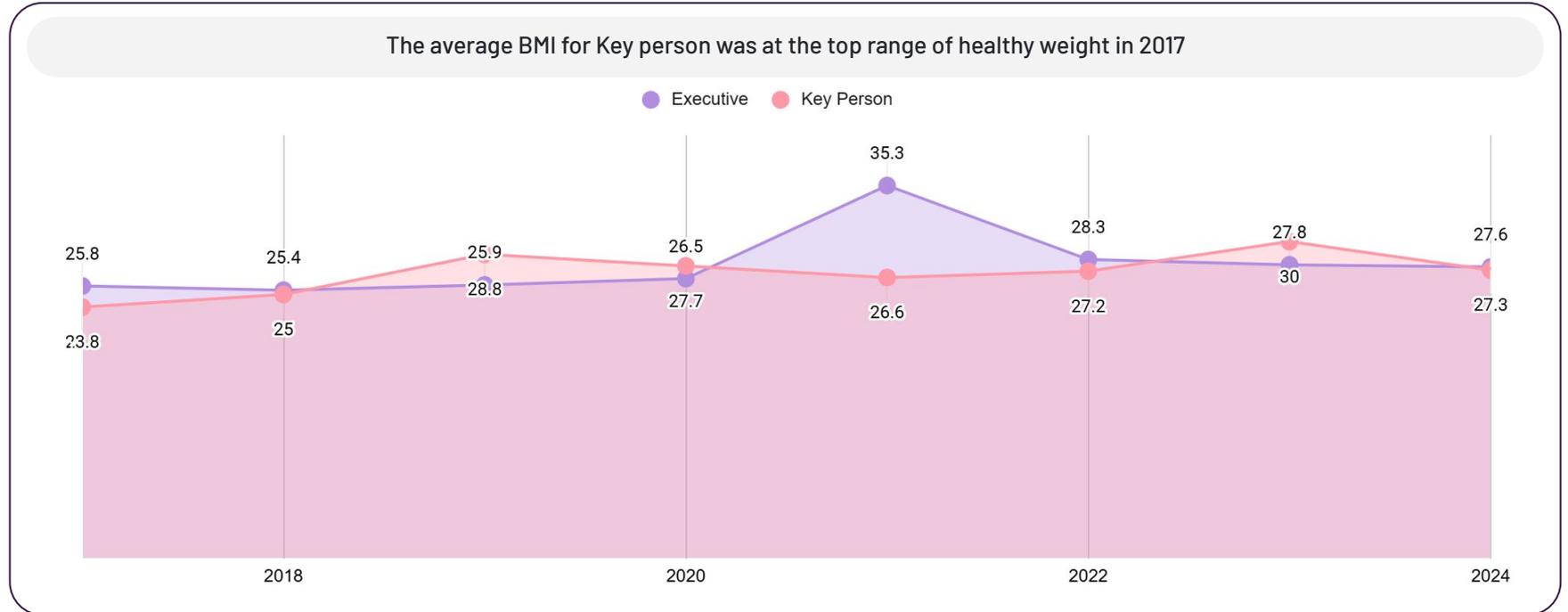
According to the latest [Parliament report](#), **28%** of adults in England were obese and a further **36%** are overweight (**64%** in total)

Overall, only 30% of applicants who disclosed their BMI said they were a healthy weight





## The average BMI has been Overweight or above (25+) since 2018





With **46%** of applications coming from directors in 2024, but less than a third from **women**, do these figures fairly represent the growing presence of women in leadership?



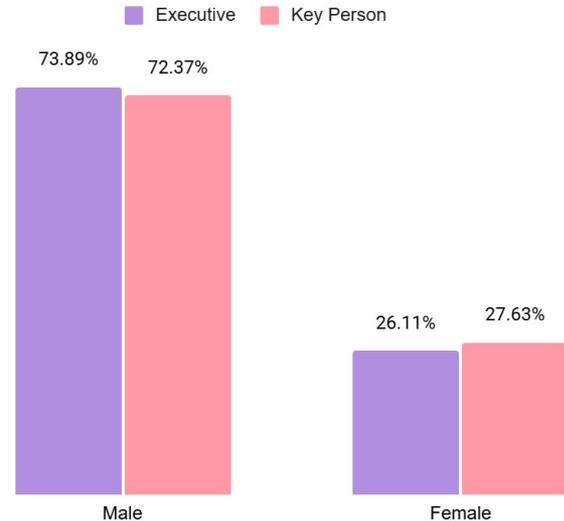
Women now constitute 43% of all directors in the top 150 FTSE companies

While 53% of non-executive directors are women, men continue to dominate executive director positions, holding 81% of these roles

71% of boards had at least one woman in the top four senior roles (chair, senior independent director, CEO, or CFO), up from 60% in 2023. However, only 3 boards had both a female chair and CEO

[Spencer Stuart Report 2024](#)

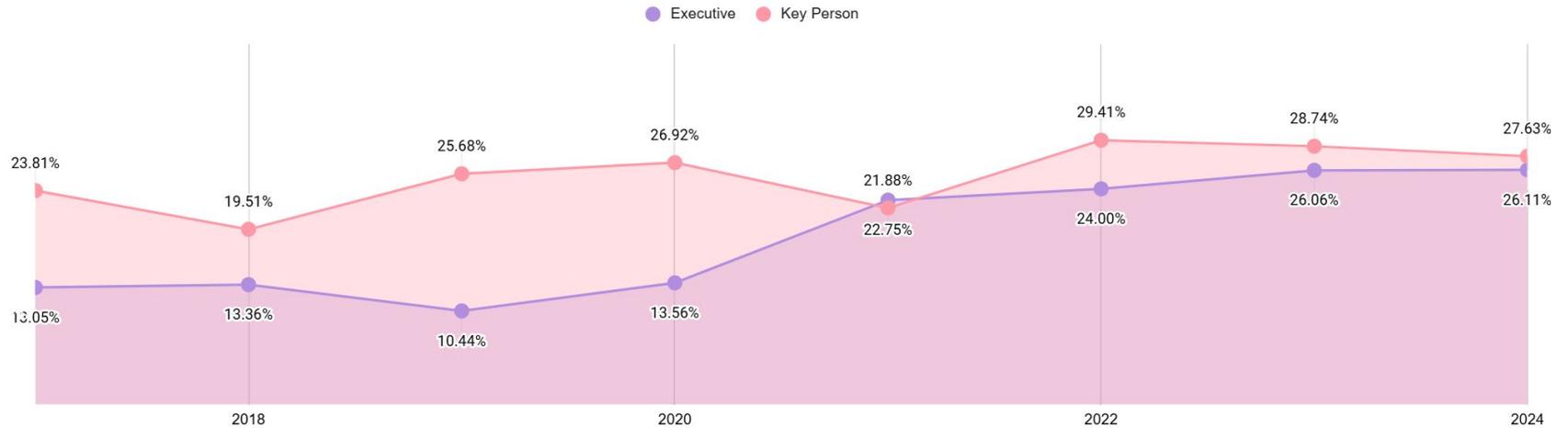
Less than a 3rd of applications were for women





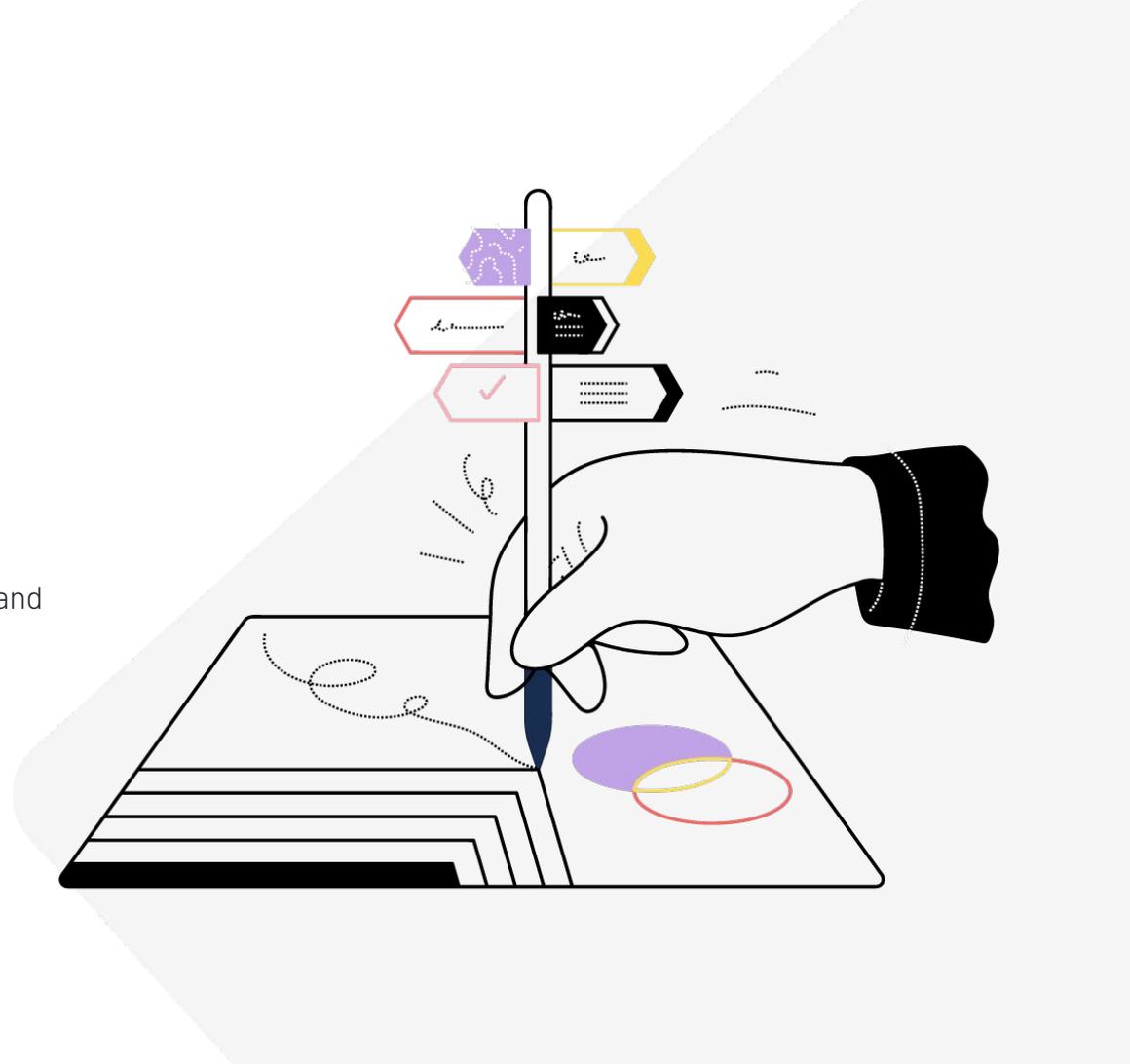
## Does the slower rise in Key Person IP for women suggest business need to **rethink** who qualifies as a “key person”?

Since 2017, Executive IP has seen an increase of 13.6 % and Key Person has seen an increase of 3.82%



# Shifting The Spotlight

Unlocking opportunities for Business IP growth and helping the industry adapt to meet the evolving needs of businesses and their key people





It is important to have a sound understanding of the options available in the market

### **Nathaniel Lee**

Managing Director | Business Protected | IPTF Ambassador

## **Understanding market options & client needs**

Having a clear understanding of the available market options is essential to ensuring each customer segment receives the most suitable coverage.

It's not just about assessing a client's current situation—considering their future plans is equally important, as this can significantly influence the recommendations made.

To provide holistic and compliant advice under Consumer Duty rules, it's crucial to be clear on the proposition options available and which clients they best serve.

In my latest article for IPTF, I explore the different Income Protection product types and customer segments in detail.

But to help you get started, we have included a handy guide to understanding the cover options for each customer segment, ensuring the right protection is in place for every client.



## Matching cover to business type

Helping business owners understand the nuances of Income Protection ensures they protect both their business and personal financial stability.

Customer Segment	Cover Options	Who It Protects	Who Receives Payout	Why?
Sole Trader	Own Life IP + Upfront Underwriting	The Business Owner	The Individual	Ensures protection despite fluctuating income
Solopreneur	Executive IP or Own Life IP	The Business Owner	Business (EIP) or Individual (Own Life IP)	Balances tax efficiency & guaranteed benefit levels
Stable SME	Executive IP + Key Person IP	Leadership team + Key employees	Business (KP IP), Business then Employee (EIP)	Protects leadership salaries & key employees
Growing SME	Key Person IP + GIP + Executive IP	Business + Workforce	Business (KP IP), Employees (GIP), Business then Employee (EIP)	Covers leadership & workforce under a balanced approach



There are opportunities for advisers to apply their specialised skills and knowledge to help clients meet their business needs

**Jennifer Gilchrest**

Protection Specialist | Royal London

## Understanding the opportunities

The business protection market, although relatively small within the broader protection market, is seeing significant growth, with business income protection playing a key role.

While it's an underserved area of the protection market, with notable protection gap, this presents opportunities for advisers and providers to address.

Especially as a relatively complex segment of the market where advisers can apply their specialised skills and knowledge to help clients meet their business needs.



## Understanding the opportunities

Ultimately, these can help build the appeal and trust of insurance which is often seen as a low priority purchase – until it's too late.



The increasing popularity of limited payment cover mirrors what's being seen in the personal market. This may be due to the cost of living continuing to be challenging. **Reviewing ongoing protection needs** once any cover is in place will help advisers stay in touch with their clients but also help to make sure individuals and businesses retain the right cover for them as their circumstances change.



Higher average ages and less women covered seems to be an inevitable feature, but again, there is an opportunity to redress the balance through better communication and marketing. A more inclusive approach and better use of social media will help **engage younger audiences**.



Emotional and practical health support provided through insurance is key to the overall value of policies. Work is being carried out to ramp up the profile of these features, including **showcasing case studies to demonstrate their impact**, but more needs to be done.



Equipping advisers with the right blend of technical know-how and essential sales and soft skills is crucial.

**Vikki Jefferies**

Market Development Director | L&G

## The strategic importance of Business IP

Advisers are in a unique position where they can highlight the necessity for business owners to recognise how income protection can be an integral part of their financial strategy, not just for personal coverage but for the sustainability of their business operations.

When shifting the conversation from advising on personal income protection to business income protection, equipping advisers with the right blend of technical know-how and essential sales and soft skills is crucial. These competencies enable meaningful conversations that can open doors and drive impactful discussions in the business IP space.



## The strategic importance of Business IP

Key considerations advisers can explore with business owners include strategies that support business continuity and strengthen resilience in the face of unforeseen challenges.



### Understanding sick pay arrangements

Clarity around sick pay arrangements is paramount. Many may lack structured sick pay systems, particularly if they fall outside the eligibility criteria for group risk solutions due to the smaller size of their enterprises.



### Maximising tax efficiency

Executive IP premiums can serve as allowable deductions for corporation tax, presenting a significant opportunity for financial optimisation.



### Safeguarding business continuity

Business owners must identify who drives their profits—be it co-owners or key employees—and consider the financial impact if these individuals were to fall ill.



The insights in this report clearly show that while Business Income Protection is gaining traction, there's still significant untapped potential.

**Jo Miller**  
Managing Director | IPTF



## Where do we go from here from here

The insights in this report clearly show that while Business Income Protection is gaining traction, there's still significant untapped potential. From product mix to policyholder demographics, there are clear gaps—and even clearer opportunities.

With the right tools, training, and communication, advisers are uniquely positioned to close the protection gap. By positioning Business IP as a forward-looking solution—one that supports continuity, protects key people, and strengthens long-term financial resilience—they can help more businesses recognise its value and take action.

At the IPTF, our focus is on turning these insights into action. Here are our top takeaways—and how we believe the industry can move forward to unlock Business IP's full potential.



## The top 3 IPTF Takeaways

Here are our top takeaways—and how we believe the industry can move forward to unlock Business IP's full potential.



### **Business IP Is Growing Fast—but is vastly underserved**

Applications for Business Income Protection have surged (up 147% since 2017), yet it still accounts for only a small share of the overall IP market—highlighting a major untapped opportunity.



### **Executive IP Dominates - but there are gaps in Awareness**

Most policies are short-term Executive IP, driven by affordability and tax efficiency. However, there's a clear need to engage underrepresented groups, especially women and younger business owners.



### **Advisers and Providers hold the key to unlocking growth**

With the right support, training, and messaging, advisers can bridge the protection gap by reframing Business IP as a strategic tool for continuity, staff retention, and financial resilience.



## The IPTF is committed to supporting advisers and providers

At the IPTF, our focus is on turning these insights into action.



### **Support Advisers with Tools and Training**

Equip advisers with targeted education, sales tools, and real-life examples to confidently introduce Business IP as a strategic solution, not just a product, especially for SMEs and directors.



### **Simplify and Promote Flexible Product Options**

Encourage providers to streamline Business IP offerings (e.g. short-term, tax-efficient options) and make them more accessible and identify their relevance in today's economic climate.



### **Drive Industry-Wide Awareness and Trust**

Collaborate across the industry to demystify Business IP and share success stories, publish claims case studies, and showcase its real-world value to shift perceptions and close the protection gap.



At Iress, we're proud to work with the IPTF and the wider industry to harness data in meaningful ways—uncovering insights, challenging assumptions, and driving better protection outcomes.

**Jacqui Durbin**  
Head of Product | Sourcing



## From insights to action

We're proud at Iress to be able to use our data to work with the IPTF and collaborate with the wider industry to drive insights into underserved markets – all with the purpose of helping close gaps and insure better protection for more people.

This report highlights just how powerful data can be when it's used not just to observe trends, but to spark real change.

One standout example is the demographic imbalance in Business IP applications. While 46% of applications come from directors, only a third are from women. Given the growing number of women in leadership roles, we must ask: does this truly reflect the businesses we see today?

From an Iress perspective, we know it doesn't.

But this gap isn't just a number—it's a call to action. As an industry, we have an opportunity to rethink how we present and position Business IP, making it more inclusive, accessible, and reflective of today's leadership.



## From insights to action

At Iress, we're committed to working with advisers, providers, and technology partners to reshape this narrative—so that more people see themselves in the cover being offered.



### Advisers

Further shape and personalise Business IP conversations



### Providers

Refine their propositions and enhance their outreach strategies



### Technology Partners

Identify future areas for insight and support

Let's continue to [collaborate](#), [share learnings](#), and [drive momentum](#)—because the more we understand about our customers, the better we can serve them



As we look to the future of Business Income Protection, your insights can help shape the conversation and drive meaningful change

**Vicky Churcher**  
Executive Director | IPTF



## We'd love your thoughts!

As we continue to shift the spotlight onto Business Income Protection, we want to hear from you. Your insights can help shape the conversation and drive meaningful change in this undersold and underserved area.

-  Did any of the data surprise you?
-  Has this report changed how you think about Business IP or how you position it with clients?
-  What additional insights would help identify opportunities for growth in Business IP?
-  What do you see as the biggest barrier to wider adoption of Business IP, and how might the industry address this?
-  How do we ensure that growth continues and expands to include underserved consumers?
-  What role can advisers and firms play in bringing Business IP into the mainstream conversation?

### #LetstalkIP and #KeepTheConversationGoing

Your thoughts matter in shaping the future of Business Income Protection!

# Acknowledgements

Recognising the contributors and industry experts who helped shape this report





## Collaborating for better insights

We would like to extend our heartfelt gratitude to all individuals and organisations who contributed to this report



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# Thank you

## Spotlight on Business IP

If you have any questions or would like to explore other data insight opportunities with Iress please contact your Account Manager or email us at [sourcing@iress.com](mailto:sourcing@iress.com)

In collaboration with **iptf**

#keeptheconversationgoing #LetsTalkIP

