

wisdom
wednesday

iptf



The Profile of an IP Customer

Table of Content

03 Introducing the Report

04 Evolving Market

05 Customer Profile

07 Expanding Reach

08 Acknowledgements

This month's *Wisdom Wednesday Academy* focuses on **Education**. We explore how the modern Income Protection (IP) customer is evolving and what this means for advisers. This document delivers context, analysis, and adviser takeaways from the market report – Profile of an IP Customer – providing data-led insights into customer behaviours, preferences, and opportunities.

**Reading Time (unstructured CPD credits) – 30 minutes
(60 mins with report analysis)**

Disclaimer – please read

This material was correct at the time of production and is intended for general informational and training purposes only. The IPTF does not accept any responsibility or liability for actions taken as a result of this content. Advisers and users are strongly advised to check directly with product providers or relevant sources for the most up-to-date information, statistics, and figures before making any recommendations or decisions.

Date of Production: November 2025



Introducing the Report

The **Profile of an Income Protection Customer** is an annual market analysis from the IPTF in collaboration with **Iress**. Drawing from more than **50,000 new business applications**, it delivers a comprehensive and data-driven picture of how the UK Income Protection (IP) landscape is shifting.

This year's report builds on previous editions with expanded insight into **multi-benefit sales, customer demographics, and product preferences**, all within the context of an increasingly regulated, education-driven market.

The findings go beyond raw data. They tell a story of evolving consumer awareness, adviser behaviour, and market opportunity. While demand for protection continues to rise, the research highlights areas where the industry can grow further by embracing education, inclusivity, and innovation.

For advisers, this report is more than a summary of statistics; it's a practical tool to inform client conversations, challenge assumptions, and guide strategies in an environment shaped by **Consumer Duty** and changing customer expectations.

Evolving Market

Over the past seven years, the UK Income Protection market has seen steady, sustained growth. Since 2017, **applications for single IP products have risen by 73%**, and those including IP as part of a **menu plan have increased by 42%** since 2022.

This momentum reflects not just demand, but the quality of advice. Advisers are holding more comprehensive conversations with clients, often integrating multiple benefits under one plan to create a complete safety net. In 2024, nearly **half of all IP sales (48%)** were made as part of a multi-benefit policy, a clear indicator that holistic protection advice is becoming the norm rather than the exception. The report also notes that IP is now included in **almost one-third of all multi-benefit applications**, highlighting the value advisers place on protecting income alongside life and critical illness cover.

This shift aligns closely with the principles of **Consumer Duty**, ensuring fair value, understanding client vulnerability, and supporting long-term outcomes. The rise of menu plans demonstrates that advisers are not just selling policies; they are educating clients about the importance of layered protection strategies that adapt to individual circumstances.

As one contributor to the report noted, “The growing adoption of menu plans highlights increased engagement with protection advisers and suggests improved quality of advice, ultimately leading to better client outcomes.”

The message is clear: Income Protection is no longer an isolated conversation. It's part of a broader dialogue about resilience, wellbeing, and financial education.

Customer Profile

At the heart of this year's findings lies an evolving customer base –younger, more diverse, and increasingly engaged in financial planning.

The report's scope focuses exclusively on **personal Income Protection** policies, both full-term and short-term, sold as single or multi-benefit products.

Age and Demographics

The average age of IP applicants remains **39** for single policies and **35** for those purchasing through menu plans. Notably, **87% of menu plan buyers are aged 45 or younger**, compared to 73% among individual policies.

This confirms that younger generations, particularly Millennials and Gen Z, are driving new growth in IP adoption. An encouraging sign of increased awareness among demographics traditionally underrepresented in protection conversations.

Benefit Period and Policy Term

2024 saw a rise in the number of **Full Term** policies sold, with both single and multi-benefit products increasing by around 5–6%. This marks a shift towards longer-term security and a greater appreciation of the value of sustained cover.

However, short-term and accident-only products still hold relevance, particularly among younger buyers who are price-sensitive or seeking accessible entry points to protection. Most short-term cover continues to offer **two years of benefits**, though industry commentary suggests a growing discussion about whether current benefit periods truly meet customer needs.

Nearly **68% of individual policies** and **58% of menu-plan policies** are structured to extend until retirement age, reinforcing clients' long-term commitment to financial resilience.

Benefit Amounts and Escalation

The average benefit amount increased again in 2024, with **individual policies up by £124** and **menu plans up by £131**.

This growth reflects both inflationary pressures and a clearer understanding among customers of what genuine income replacement looks like.

The report also observed greater uptake of **index-linked (increasing)** benefit structures, particularly within multi-benefit policies. Over a **quarter of menu-plan IP products** now include an increasing maximum benefit, suggesting that advisers are more frequently introducing indexation as a standard feature rather than an optional add-on. As one adviser commented in the report, "Indexation is the easiest way for us to ensure a customer's cover keeps up with inflation."

Deferred Periods and Affordability

Deferred periods remain a point of debate. Most multi-benefit plans now use **three-month deferred periods**, compared with the one-month average for individual IP. This approach helps manage cost but can leave clients exposed.

According to LV's Reaching Resilience Report, **42% of UK households would struggle beyond three months without income** – raising an important question for advisers: are our product structures aligned with real-world needs?

Occupations and Lifestyle Factors

The most common applicants remain **medical professionals, administrators, and project managers**, with health sector workers demonstrating consistently strong engagement, perhaps due to their first-hand experience of illness and recovery.

In lifestyle factors, the data shows minimal change in smoking habits, a slight rise in female policyholders (particularly within menu plans), and over half of disclosed BMI data falling within the overweight category – closely mirroring UK population averages.

The emerging IP customer is realistic, value-driven, and increasingly proactive. They're not just buying cover; they're investing in financial education and security.

Expanding the Reach

The findings from the 2024 report reveal both progress and potential. The Income Protection market is expanding, and adviser engagement is stronger than ever, but there's still work to be done.

Despite rising applications, **only around 7% of UK adults currently have an IP policy**, even though **over half (53%) acknowledge its importance**. The gap between awareness and action remains the industry's biggest challenge.

The evolution of IP isn't just about data; it's about people. A new generation of buyers, younger, more digitally engaged, and financially conscious, is emerging. They expect personalised advice, transparent education, and accessible solutions.

For advisers, this represents a major opportunity. By using insights from this report, professionals can:

- Reframe Income Protection as a foundation of financial well-being.
- Embed educational conversations into client reviews.
- Promote inclusive engagement with underserved groups, including women, self-employed workers, and lower-income earners.

As Jo Miller, Managing Director at IPTF, concluded in the report:

"While progress is clear, so too is the potential. With only a fraction of UK adults currently protected by IP, our work is far from done."

Education sits at the heart of that mission. Through the Wisdom Wednesday Academy and Airi, we aim to empower advisers with the knowledge, context, and confidence to transform awareness into action.

Read the full Profile of an IP Customer 2024 report [here](#).

Acknowledgements

Produced by the **Income Protection Task Force (IPTF)**
In collaboration with **Iress**

We would like to thank all contributors and advisers who helped bring this analysis to life and continue to support IPTF's mission to **#KeepTheConversationGoing**.

wisdom
wednesday

iptf