The term split and the missed opportunity

Profile of an IP Customer: Data spotlight

In collaboration with iptf

The term split and the missed opportunities

The 2026 Profile of an IP Customer report highlighted some fantastic news for the industry: **Income Protection applications are growing, and we are seeing a record number of IP policies being sold as part of multi-benefit menu plans**.

But while the headline numbers look great, the IPTF rightly challenged us to dig a little deeper.

Are we really maximising the market, or are there still massive gaps and opportunities hiding just beneath the surface?

To find out, we needed to look at what drives a Term Life sales in the first place - which led to the question:

What is the split of Term Life business between Level and Decreasing Term, and how does Income Protection fit into those specific journeys?

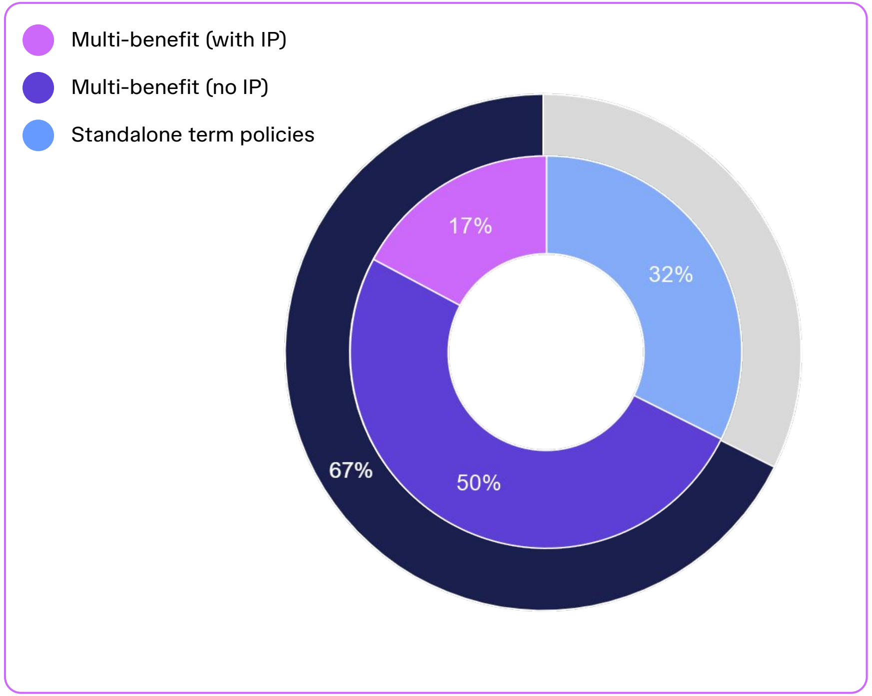
By breaking down our 55,000 application footprint into specific advice journeys, we've mapped exactly how IP fits into both Level and Decreasing Term sales.

What emerges is a clear picture of adviser behaviour, revealing exactly where the industry is missing the chance to build true financial resilience.

By understanding these patterns, we can uncover massive, untapped opportunities for advisers to add deeper value to their existing protection journeys.

Data spotlight | Term market

Advisers are highly engaged with multi-benefit technology, using menu plans for **67%** of all term business



The fact that menu plans account for **67%** of all term business proves that the foundations for holistic advice are already in place

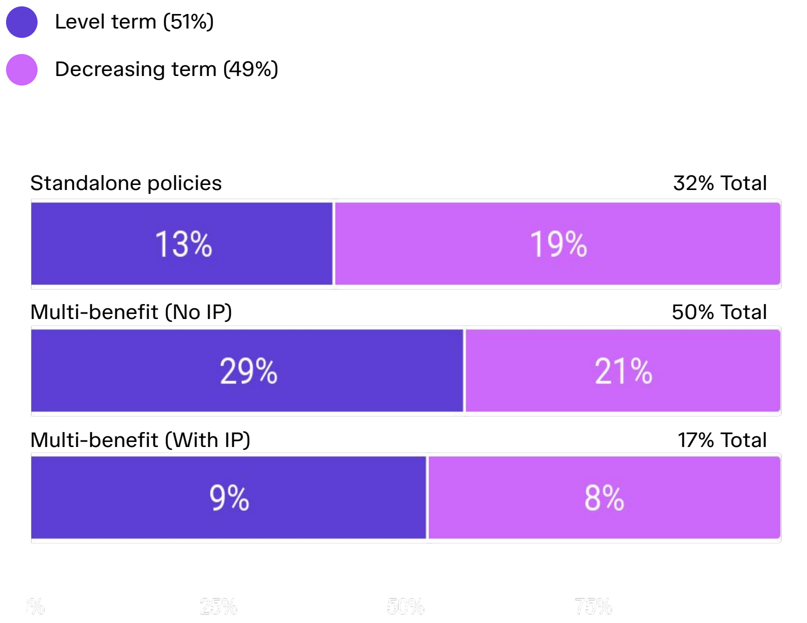
However, when an adviser build a menu plan, they still leave Income Protection off it **75%** of the time

The massive untapped opportunity lies in simply extending that existing digital journey by one more step to include IP

New Business clicks (Applications) 2025 (includes Multi-benefit / Menu)

Data spotlight | Product mix

How the advice trigger shapes the final outcome



By breaking down the **51%** Level Term and **49%** Decreasing Term market, we see how the underlying advice trigger defines the protective journey

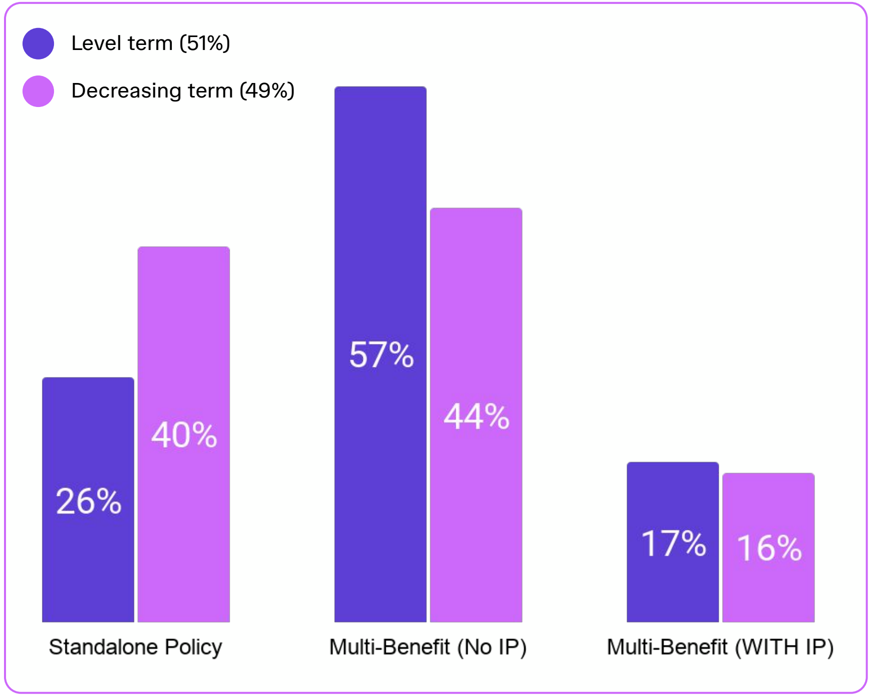
When an mortgage is involved (Decreasing Term), advisers are **significantly** more likely to write a standalone policy (40%) compared to general planning (25%)

Bridging this gap requires asking one simple question during every mortgage application: *“How will you pay this next month if you are too ill to work?”*

New Business clicks (Applications) 2025 - (includes Multi-benefit / Menu)

Data spotlight | Product mix

Contrasting the holistic family journey against the transactional mortgage journey



The Mortgage Journey: With standalone policies at **40%**, the priority is securing immediate debt. This creates the perfect opening to introduce income resilience

The Family Journey: Despite **74%** engagement with menu technology, **57%** still exclude IP. The tools are embraced, but the safety net remains incomplete

Despite very different purchasing behaviors, both routes leave over ***80%*** *of applications without income resilience*

New Business clicks (Applications) 2025 - (includes Multi-benefit / Menu)

Data spotlight | What is driving these behaviours?

The Profile of an IP Customer showed us that multi-benefit policies are the fastest growing segment of the market. However, a deeper dive into the data reveals that we are still leaving **half the market on the table**. So what is driving these behaviours and what can we do to **close the resilience gap?**

Adviser confidence

Moving beyond the 'Fear of Rejection'

Do advisers hesitate to push Income Protection due to perceived product complexity or the fear of client pushback on cost?

The opportunity lies in equipping advisers with a stronger narrative: reframing IP not as an optional, add-on, but as the non-negotiable, foundational layer of income resilience that protects the client's entire financial plan.

Extraordinary lives

Adapting to the modern workforce

While multi-benefit menus simplify standard cover, do they adequately support the complex needs of the modern workforce?

Today's career paths are rarely linear, and the necessity for income protection increasingly stretches into later-life working and retirement. To protect these "extraordinary lives," do we need dynamic products that adapt over time?

Client perception

Challenging the 'It won't happen to me' myth

The industry still battles the persistent optimism bias of clients, alongside a fundamental misunderstanding of statutory sick pay limitations and state benefits.

Closing this gap requires a fundamental shift in consumer education - moving away from morbid conversations about catastrophic health events, and instead focusing on protecting their current lifestyle, hard-earned savings, and family memories.

Financial priorities

Mastering the 'Value Exchange'

While today's economic climate is a hurdle, the true barrier is often the perception of value rather than the premium itself.

Advisers must master the "value exchange" conversation - demonstrating that a client's ability to earn is their single most valuable asset, and the foundation of their lifestyle and future goals.

Does the industry need to offer more flexible products, to build robust cover that meets different budget?

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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**

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