



Swiss Re

Group Watch 2026

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Agenda

- Describe the group risk market
- Group Risk in 2025 - the year in summary
- Headline data
- Long-term disability income
- Death benefits
- Critical illness cover
- Working with Government
- Salary Sacrifice and death benefits
- Financial Inclusion strategy

2025- the year in summary

3.5% more people covered and growth across Group Life, GLTDI and GCI

34 responses to our market questionnaire, issued in February 2026

Cost cutting / Retrenchment

One fewer product provider at the end of 2025

Economic environment

Keep Britain Working

Employer NI changes: The impact on group risk

- "Massively. We place a lot of "new to market" cover in group risk and all products saw a distinct drop off in new to market policies in the second half of the year as the NI changes bit into budgets. Other businesses will be affected but the placement of virgin schemes/benefits is a good indicator of available budgets for businesses"

(Employee Benefits Consultant)

- "This had a major slow down on purchasing propensity by employers. At best, this will cause deferral of decisions to, worst position, cancellations of decisions. NI increases dramatically increased the costs base for all businesses, putting a stop to employee benefit purchases and reviews, as well as head count increases"

(Employee Benefits Consultant)

- "Companies are finding it difficult to secure extra budgets with increasing NI and PMI premiums going up so are most likely to reduce benefits within LTDI to reduce overall spend, such as reducing payment term or reducing benefit level"

(Employee Benefits Consultant)

- "We haven't seen any significant change since the increase in employers NIs kicked in albeit it is, of course, on employers' minds about cost containment. We probably expected to see more of an impact than we have done"

(Product Provider)

Headline in-force data – 2025 compared to 2024

The number of people covered across all Group Risk products has increased to 16.2 million

| | People (+3.5%, Increased by 542,190) | Benefits | Premiums (+2.0%, Increased by £70.6m) | Policies (+1.4%, Increased by 1,332) |
|------------------------------------|---|--|---|--|
| Long Term Disability Income | -1.6% (decreased by 53,497 to 3.33m) Removing non-contributor from 2024, the increase is +2.6% (+84,974) | +2.0% (increased by £2.7bn pa to £138.4bn pa) Removing non-contributor from 2024, the increase is +7.4% (+£9.5bn) | -3.9% (decreased by £43.3m to £1.1bn) Removing non-contributor from 2024, the increase is +0.8% (+£8.4m) | +0.6% (increased by 131 to 20,774) Removing non-contributor from 2024, the increase is +1.7% (+351) |
| Lump Sum Death | +4.8% (increased by 547,519 to 12.0m) | +2.6% (increased by £48.7bn to £1.93trn) | +3.8% (increased by £85.7m to £2.4bn) | +1.2% (increased by 814 to 68,135) |
| Critical Illness | +5.7% (increased by 48,168 to 0.89m) | +5.5% (increased by £3.6bn to £70.4bn) | +13.1% (up by £28.3m to £244.0m) | +5.8% (increased by 387 to 7,098) |

Voluntary & Flexible benefits

| Proportion of schemes reported with: | Long Term Disability Income | Lump Sum Death | Critical Illness |
|--------------------------------------|--|--|--|
| Flexible benefits | Premiums: 16.9% Lives: 16.5% Benefits: 14.5% | Premiums: 19.9% Lives: 22.1% Benefits: 22.3% | Premiums: 3.6% Lives: 5.1% Benefits: 3.6% |
| Voluntary benefits | | Premiums: 1.1% Lives: 1.6% Benefits: 1.3% | Premiums: 66.5% Lives: 68.1% Benefits: 68.1% |

Group Long-term Disability Income

No correction for non-contributor data

People

-1.6%

decreased by 53,497 to
3.33m

Benefit

+2.0%

increased by £2.7bn to
£138.4bn pa

Premium

-3.9%

decreased by £43.3m to
£1.07bn

Excluding non-contributor 2024 data

+2.6%

increased by 84,974

+7.4%

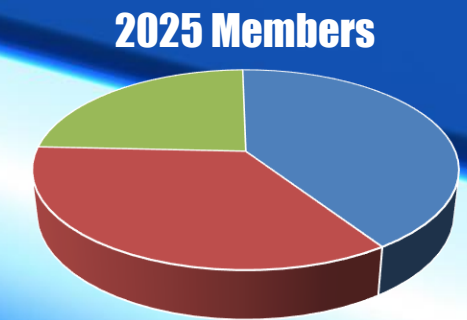
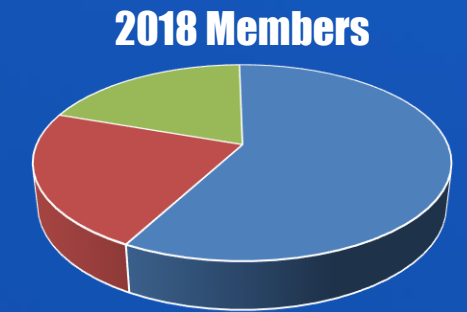
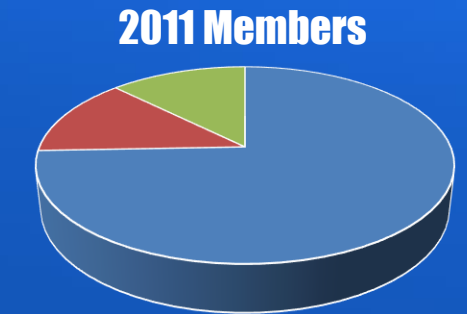
increased by £9.5bn

+0.8%

increased by £8.4m

GLTDI payment period

| Payment Period | 2021 | 2022 | 2023 | 2024 | 2025 |
|---------------------|---|---|---|---|---|
| Cover to retirement | 71.3% Premiums 48.8% Members 69.1% Policies | 67.5% Premiums 43.7% Members 64.3% Policies | 65.8% Premiums 42.1% Members 61.4% Policies | 62.9% Premiums 39.0% Members 61.0% Policies | 60.8% Premiums 41.0% Members 58.4% Policies |
| | 5-year limited payment term | | | | |
| | 19.6% Premiums 29.8% Members 17.4% Policies | 21.8% Premiums 32.8% Members 19.8% Policies | 23.2% Premiums 34.2% Members 20.8% Policies | 26.0% Premiums 37.5% Members 22.6% Policies | 27.3% Premiums 35.0% Members 23.6% Policies |
| | Other limited payment term | | | | |
| | 9.1% Premiums 21.4% Members 13.5% Policies | 10.7% Premiums 23.5% Members 15.8% Policies | 11.0% Premiums 23.8% Members 17.7% Policies | 11.1% Premiums 23.6% Members 16.4% Policies | 11.9% Premiums 24.0% Members 18.0% Policies |



Scheme size

| Product | Scheme size | Schemes | Total In-force premium (£) | % | Average (£) | Total Sum Assured (£) | % | Average (£) | |
|-----------------------------------|------------------|---------|----------------------------|-------------|---------------|------------------------|----------------|------------------|-------------|
| Group Long-term Disability Income | <10 lives | 6,535 | 31.5% | 26,830,789 | 2.5% | 4,106 | 1,883,913,899 | 1.4% | 288,281 |
| | 10 to 19 lives | 3,429 | 16.5% | 27,554,386 | 2.6% | 8,036 | 2,498,981,739 | 1.8% | 728,779 |
| | 20 to 49 lives | 4,265 | 20.5% | 64,946,430 | 6.1% | 15,228 | 6,772,817,671 | 4.9% | 1,587,999 |
| | 50 to 249 lives | 4,551 | 21.9% | 201,154,200 | 18.9% | 44,200 | 24,310,483,246 | 17.6% | 5,341,789 |
| | 250 to 499 lives | 892 | 4.3% | 118,201,288 | 11.1% | 132,513 | 15,362,773,109 | 11.1% | 17,222,840 |
| | 500 to 999 lives | 565 | 2.7% | 135,476,747 | 12.7% | 239,782 | 17,180,991,657 | 12.4% | 30,408,835 |
| | 1,000 lives > | 521 | 2.5% | 490,948,610 | 46.1% | 942,320 | 70,365,499,090 | 50.9% | 135,058,540 |
| | 20,758 | | 1,065,112,450 | | 51,311 | 138,375,460,411 | | 6,666,127 | |

Market-opinions - GLTDI

- Caution seen 12 months ago continues and greater for GLTDI than other products.
- Fewer mentions of PMI than 12 months ago although its impact was still seen.
- "Companies are finding it difficult to secure extra budgets with increasing NI and PMI premiums going up so are most likely to reduce benefits within LTDI to reduce overall spend, such as reducing payment term or reducing benefit level"

(Employee Benefits Consultant)

- "With the increase in costs of other benefits such as PMI I don't see many companies choosing to incept GLTDI in the next year. Again, I think GLTDI premiums will increase slightly"

(Employee Benefits Consultant)

- For 2026, and despite the continuing difficult business environment, 46.7% of respondents are optimistic that the number of policies will increase. 42.9% anticipate no change and the remaining 10.4% expect the number of in-force policies to reduce.

Group Death benefits

No correction for non-contributor data

People

+4.8%

increased by 547,519 to
11,987,781

Benefit

+2.6%

increased by £48.7bn to
£1.93trn

Premium

+3.8%

increased by £85.7m to
£2.4bn

Excluding non-contributor 2024 data

+6.5%

increased by 733,232

+5.6%

increased by £102.7bn

+6.5%

increased by £144.2m

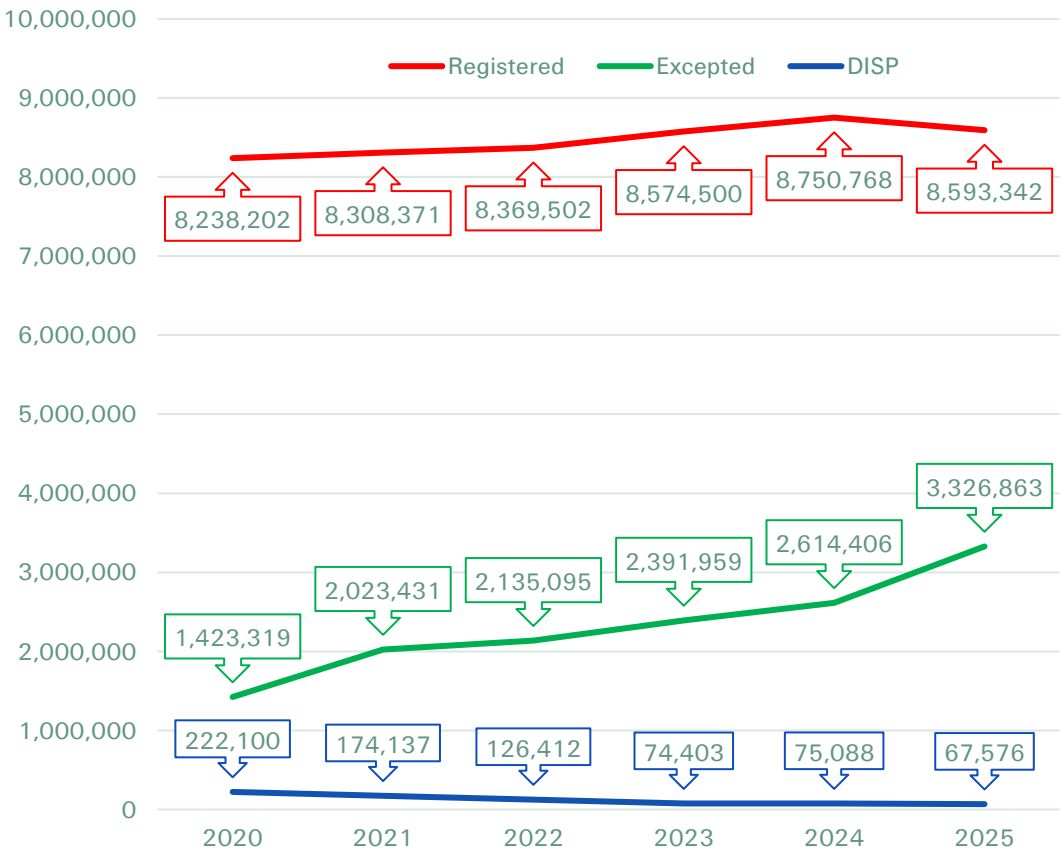
Death benefits products

Registered
 Members: 71.7%
 Benefits: 62.5%
 Premiums: 66.1%

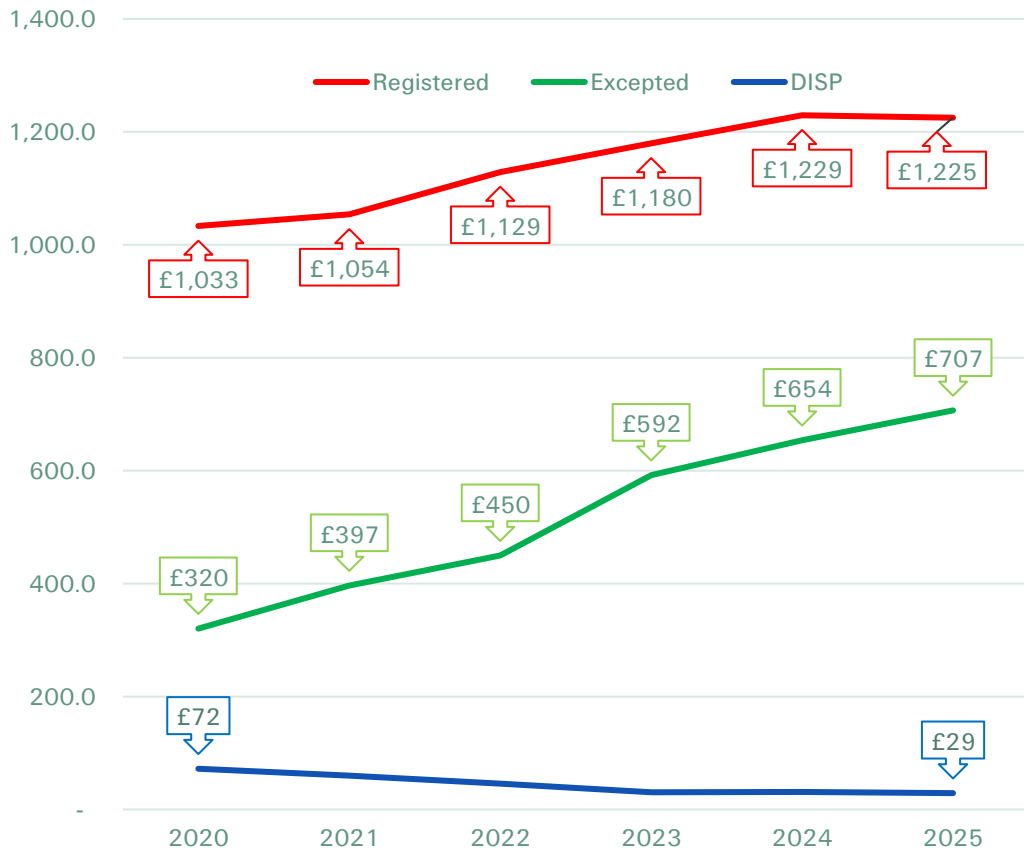
Excepted
 Members: 27.8%
 Benefits: 36.0%
 Premiums: 31.8%

DISP
 Members: 0.6%
 Capitalised Bens: 1.5%
 Premiums: 2.1%

Lives



Benefits (£ billion)



Market-opinions – death benefits

- Similar level of optimism with 54.6% (56.1%) expecting to see the number of in-force policies increase
- 68.6% (78.1%) expect premiums to rise. 2.8% expect premiums to fall.

"More small employers will introduce group life but, overall, UK employment numbers will remain static. Premium inflation will remain static due to the interplay between global reinsurance market softening and economic uncertainty. Benefits provided will remain static as employer focus moves away from reward to productivity & cost control"

(Employee Benefits Consultant)

"Everyone talks about targeting the new-to-market segment but, five years on, it feels like a broken record. Nobody is actually pursuing it. I haven't seen any meaningful marketing campaigns, innovative propositions from brokers or insurers, or real efforts that would drive sales"

(Employee Benefits Consultant)

"We work in the SME market space with new to market customers so our numbers have grown each year for us"

(Employee Benefits Consultant)

Group Critical Illness

No correction for non-contributor data

People

+5.7%

increased by 48,168 to
888,040

Benefit

+5.5%

increased by £3.6bn to
£70.4bn

Premium

+13.1%

increased by £28.3m to
£244.0m

Excluding non-contributor 2024 data

+6.5%

increased by 54,275

+6.9%

increased by £4.6bn

+14.7%

increased by £31.2m

Market-opinions – critical illness

- Market sentiment similar to 12 months before with 57.2% expecting policy growth in 2026 (53.7% in 2025).
- 73.5% (78.0%) expect premiums to increase.

“Our conversion rate and quote request rate for GCI is extremely low as it's too expensive. Clients are prioritising other benefits”

(Employee Benefits Consultant)

“The rise of PMI will supersede CIC as the benefit of choice”

(Employee Benefits Consultant)

“Schemes numbers will likely increase as broader employee benefit considerations are given and non-automatic core benefit flex product. Premiums could increase due to salary inflation and strong competition over the last few years. Benefit levels increase, mainly through flex, as employees take up or increase their levels due to higher personal liabilities and NHS challenges”

(Product Provider)

Working with Government – Keep Britain Working

- Generally positive views on how the industry and its trade bodies has responded.
- Positive comments about GRiD

"In my view, this is a once in a generation opportunity for the group risk market to demonstrate what it's been doing for over 20 years, early intervention and effective vocational rehabilitation to help people return to and stay in good work..."

(Product Provider)

"We have managed to lessen the fixation on OH and made the approach proposition/product agnostic"

(Product Provider)

" There is a clear opportunity for the market to step up from "supportive stakeholder" to "delivery partner"

(Product Provider)

" Promote the benefits of group risk... the Government thinks of OH first, not group"

(Product Provider)

Salary sacrifice and death benefits

- Some concerns that the changes to pensions salary sacrifice could have a damaging impact at the same time as the Government could be trying to implement changes from the vanguard phase of Keep Britain Working.

"Not ideal timing"

(Employee Benefits Consultant)

"Some companies retain the NI saving to fund other benefits. In this instance these benefits may be at risk if the NI saving is reduced. However, with the current cap at £2,000 this is unlikely to be significant for SME/mid-corporates. If the cap reduces after consultation this could become a problem"

(Employee Benefits Consultant)

"The employer cost will put pressure on other benefits costs and may result in cover downtrading and/or eligibility contraction"

(Employee Benefits Consultant)

"There may, however, be a re-balancing of reward spend as a result and employers facing higher NI costs on pension salary sacrifice above £2,000 may review whether existing group life multiples (e.g. 4x or 6x salary) remain appropriate..."

(Product Provider)

Financial Inclusion Strategy

- Low awareness of the Government's Financial Inclusion Strategy, published in November 2025
- We are aware that group risk is in scope of potential opportunities

"The Government's Financial Inclusion Strategy reinforces the role of insurance in building household financial resilience, particularly through protecting income during health and life shocks. Group risk is well placed to support this agenda by providing broad, employer-enabled access to income protection, life and critical illness cover at scale, including for people who would be unlikely to engage with individual products".

(Product Provider)

"Wider adoption of group risk benefit to lower ranks in the workforce should work well with the aims of the strategy. Persuading employers to spend more money at this uncertain time, however, will be challenging".

(Employee Benefits Consultant)

Thank you!

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