

Pure protection gap / Review

The FCA has published its interim report on the Pure Protection Market Study (MS24/1.4), focusing on how pure protection products are distributed to retail consumers.

The FCA reports that while the market generally delivers good outcomes, with high claims acceptance rates and a broad range of products available, there remain areas where improvements are needed.

In particular, the regulator highlights the sizeable protection gap, noting that 58% of adults with online access do not hold a pure protection product and many have never considered their protection needs.

The FCA has not proposed a ban on commission for protection products like Over 50s, as is currently the case for funeral plans.

The FCA will run industry workshops in Spring 2026 with industry attendees being coordinated through trade associations (IFOA, ILAG, AMI, BIBA, ABI, PDC and NAFPP) and will continue consultation ahead of the final report expected in Q3 2026. Key areas under further review include: lower claim ratios for income protection products (~40%) compared to protection products overall (~50%), intermediary incentives that may encourage unnecessary policy switching, and improvements to claims experience.

Comment

Broadstone Actuarial Director, **Erika Parker FIA**, observed that “a smoother sales process could also build product ownership, reinforcing the need for both regulatory and market-driven solutions to enhance engagement”.

Read the full report [MS24/1: Pure Protection Market Study | FCA](#)



**For more information on how Broadstone can help you,
please contact our expert:**



Erika Parker

Actuarial Director

DD +44 (0)207 360 7577

erika.parker@broadstone.co.uk

broadstone.co.uk