

Press release
23 February 2017

**GRiD offers its support for a Government-backed campaign to
increase reach of Group Income Protection**

Group Income Protection (GIP) has been identified as having a greater role to play in the delivery of the goals outlined in the DWP/DH Joint Policy Unit's Improving Lives Work, Health and Disability Green Paper.

GRiD has responded to the Green Paper and made the case for a number of key recommendations that it believes will have the most impact in encouraging more employers to provide GIP to their staff. These include:

▪ **Government-backed campaign**

A campaign by Government to raise awareness among employers and employees that sickness benefits provided by the State are only a safety net and there is a definite need to make additional provision.

The Government has played a significant role in raising awareness of the need to save for retirement and a similar approach is needed for sickness absence.

GIP provides great support to employers and employees, and raising awareness is key in contributing to greater take-up.

- As it offers valuable access to cover for people with long-term health conditions and disabled people, GIP is a great support for recruitment and retention, with policy features specifically designed to support the retention of people with health conditions.
- Personalised and tailored early intervention and rehabilitation are invaluable in helping employees remain in or return to work.

▪ **Improved communications**

The reality is that many SMEs just do not come into contact with the insurance industry. GRiD believes Government will have ways of reaching these employers and could, for example task employers to detail sick pay and other benefits that are available to employees during short- and long-term absence.

Larger corporates will deal with similar absence issues and all will benefit from help to make informed decisions on how to support employees and to identify best practice.

Key information that would help employers make decisions include: stating the need to make provision, making the business case for taking action, guidance & best practice in the event of absence and case studies demonstrating effectiveness.

▪ **Reduced complexity of State Benefits**

The simplification of the interaction between GIP and Universal Credit would help employers to understand that by providing GIP, they are doing much more than merely replacing means-tested State Benefits.

GIP does so much more than this. A continuing income is much more likely to help people meet their financial obligations and will reduce the financial pressures they would be likely to face on State Benefits. In addition, the services that come along with a GIP policy are designed to improve health and wellbeing in the workplace and provide support for employees.

- **Tax incentives**

The introduction of a tax incentive could help to increase take-up of GIP. This can be justified by the benefits that additional provision would bring for employers, employees and the State but there is a need to be fair to all since GIP is not the only means by which an employer can provide occupational sick pay and vocational rehabilitation. Government might therefore want to consider extending any incentive to non-insured arrangements too.

Katharine Moxham, spokesperson for GRiD says: We are very pleased that GIP has been identified as having a greater role to play in the delivery of the goals outlined in the Green Paper. We have offered our help and are keen to work with Government on all our recommendations. Representing the group risk industry, we are perfectly positioned to provide technical input, develop material and provide clarity on how best to encourage employers to offer protection to their staff.

There is a wealth of support that can be made available through GIP for people with long-term health conditions and disabled people so that they are given the opportunity to work and stay in work. Employers benefit from the contribution and skills they offer, and long-term sickness absence costs can be reduced. For the employee it can provide help with managing health conditions, and their families and dependants are better supported. Overall, of course, it also reduces the burden on the State.

Employers that offer GIP are reaping the benefits and we very much welcome any Government-backed initiatives that extend its reach.

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Notes for editors

About GRiD

Group Risk Development (GRiD) is the industry body for the group risk protection sector, promoting the value to UK businesses of providing financial protection for their staff, enhancing their wellbeing and improving employee engagement. Our membership includes insurers, reinsurers and intermediaries who have a collective wealth of experience built over years of operating in the group risk protection market. Under the chairmanship of Lee Lovett, CEO of Ellipse, GRiD aims to promote group risk through a collective voice to Government, policymakers, stakeholders and employers.

GRiD works with government departments and regulators involved in legislation and regulation affecting group risk benefits, and with other organisations involved in the benefits and financial protection arenas. GRiD also seeks to enhance the industry's standing by encouraging best practice



and by participating in industry-wide initiatives such as the professional qualification in group risk managed jointly with the Chartered Insurance Institute.

GRiD's media activity aims to generate a wider awareness and understanding of group risk products and their benefits for employers and employees.

GRiD's dedicated spokesperson, Katharine Moxham, provides expert media comment on a full range of group risk issues.

www.grouprisk.org.uk

Follow Katharine Moxham on Twitter @KMoxham