

Press release
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Financial Capability Week: a time to review group risk protection, says GRiD

Group Risk Development (GRiD) is in full support of the ethos behind [Financial Capability Week](#) which calls for a collective approach to address the lack of financial provision of many people in the UK. Findings from The Money Advice Service - which is hosting Financial Capability Week - show that 21 million UK adults don't have modest savings of £500 to replace a fridge or mend a car, and three quarters of working age people in the UK don't have a savings buffer equal to three months salary.

In light of this research, GRiD is reminding employers of the value of group risk financial protection (employer-sponsored life assurance, income protection and critical illness) which is designed to provide a financial lifeline when employees and their families need it most.

Katharine Moxham, spokesperson for GRiD says: Research from The Money Advice Service perfectly demonstrates the extent of the problem. Quite simply, if people are unable to work through ill-health or disability, or if a family loses a breadwinner, many would not be able to survive financially. Group risk financial protection is designed to provide the financial safety net that is clearly needed by so many.

Group Risk is far more affordable than many employers realise. It typically costs less than 0.5% of payroll to offer Group Life Assurance to an entire workforce, and less than 1% of payroll to offer Group Income Protection. A small price to pay when compared to the potential return.

Latest research* shows how many employees are insured by the group risk market:

- Over 8.8 million people under Group Life Assurance for death benefits valued at over a trillion pounds
- 2.1 million people for annual Group Income Protection benefits totalling over £65 billion
- 546,000 people for Critical Illness benefits totalling over £31.6 billion

The number of employees covered and the sums insured may seem high but this still leaves many uninsured and potentially at risk of not being able to meet financial obligations after an

extraordinary life-changing event. For instance, only 10% of workers have their own policy or are covered under an employer-provided Group Income Protection policy.

Katharine Moxham continues: Our message is clear: if employers don't currently offer group risk financial protection to their staff, then the figures from The Money Advice Service highlight the need to review this now. If employers do offer them then it's important to tell their staff exactly what that provision gives them, including all the additional benefits such as an Employee Assistance Programme. Advisers and insurers are on hand to help ensure employers have the most appropriate provision for their workforce.

- Ends .

* Swiss Re Group Watch 2016

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Notes for editors

About GRiD

Founded in 1998, Group Risk Development (GRiD) encourages awareness and uptake of corporate group protection benefits . income protection, group life insurance and critical illness cover . on behalf of its members which include insurers, reinsurers and intermediary businesses. Under the chairmanship of Lee Lovett, CEO of Ellipse, GRiD aims to enhance the industry's profile among media and stakeholder groups. The Group provides a collective voice to Government and participates in industry wide initiatives such as the qualification in Group Risk launched jointly with the Chartered Insurance Institute. In May 2009, the Group appointed its first dedicated spokesperson, Katharine Moxham, to provide expert media comment on a full range of group risk issues.

www.grouprisk.org.uk

Follow Katharine Moxham on Twitter @KMoxham