



Under Embargo until 09:00
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Lack of trust and awareness leaving UK workforce financially vulnerable, independent research reveals

25% of the UK workforce have pet insurance yet only 7% are protecting their income*, according to new research launched today by independent adviser Drewberry Insurance. The Drewberry Protection Survey 2015 highlights a number of worrying insights into consumers' attitude toward financial risk and their lack of faith in financial organisations. The key findings are:

1. Sick pay and savings do not provide adequate financial protection

- 26% don't have income protection because they believe their sick pay is sufficient. However, 1 in 20 had been off work for over 12 months (and 1 in 13 for over six months), yet only 3% receive over 12 months in sick pay (and 14% over six months), while 24% receive no sick pay at all.
- Savings are not the answer either, as only 25% had over six months of savings and 55% had three months or less (29% less than a month).
- 41% of workers with less than a month in savings have no sick pay

2. Self-employed at significant financial risk

- 49% of self-employed have three months or less in savings, with 28% having less than a month. Yet, despite having no sick pay and very limited savings only 5% have income protection.
- 2.6 times as many company directors (13%) have income protection, possibly because they experience it as an employee benefit and have more disposable income to pay for it. In fact, 34% rate income protection as the most important protection insurance, followed by life insurance at 21%. This is compared to only 17% of employed people, where life insurance is seen as the most important (41% of respondents).

3. Consumers trust banks more than comparison sites, insurers and advisers

- 22% trust banks compared to only 19% for insurers. 20% said financial advisers were the most trustworthy with comparison sites last with 15%. The most popular answer was 'none of the above' at 24%.
- 17% of those surveyed say they don't hold income protection because of a distrust of insurers paying claims. 20% of those surveyed say they don't hold life insurance because of a distrust of insurers paying claims. The public believes only 50% of life insurance claims are paid, whereas the actual figure is closer to 99%.
- Trust is a big problem but premiums being 'too expensive' is still the biggest reason for not taking cover (40% for income protection and 41% for life). 77% of workers are willing to pay for income protection, but they are only willing to pay 0.7% of their income, or £20 per month.

4. Aviva are the most recognised insurance brand

- When asked 'Which of the following insurers do you recognise?' 81% recognised Aviva. Legal & General were the second most recognised insurance brand with 72% of the sample recognising this insurer.
- Despite a large amount of advertising, including a controversial TV campaign, only 5% of respondents reported recognising Beagle Street. This probably highlights the length of time and capital it requires to create a mainstream insurance brand.

Tom Conner, Director at [Drewberry](#), said: "The survey has highlighted just how financially vulnerable the UK workforce is to ill health and disability, especially the self-employed. Clearly if you have limited employer sick pay and savings and no insurance a family would need to rely on benefits, which are only a very basic safety net. Unless a family has other income streams to help them they will need to dramatically slash their expenditure. That could mean taking drastic action to reduce debts such as selling the house to reduce the mortgage.

"The best type of insurance to protect workers financially is Income Protection, yet only 7% of people surveyed have an Income Protection policy, despite 25% buying pet insurance. This is especially surprising given the cost of income protection and pet insurance are fairly comparable."

*Price comparison of Income Protection v Pet Insurance

Product	Income Protection	Pet Insurance
Insurer	Liverpool Victoria	Pet Plan
Insured	<i>James the Accountant</i>	<i>Rex the Labrador</i>
Age	30 years old	4 years old (28 dog years)
Basic Cover	£19.98 per month	£20.93 per month
Comprehensive Cover	£42.50 per month	£50.02 per month
The income protection policy is for a non-smoker and the policy pays a monthly benefit of £1,500 after 4 weeks of incapacity. The basic option could pay out for a maximum of 2 years whereas the comprehensive option could payout until age 65. The basic Pet Plan option is for their 'Essential' product and the comprehensive option is for their 'Ultimate' product. Information on the coverage of these products can be found here .		

The full Drewberry Protection Survey 2015 can be viewed here:

<http://www.drewberryinsurance.co.uk/press-release/protection-insurance-survey-2015>

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Notes to editors

Drewberry's Protection Survey 2015 sought the views of 1,820 employed and self-employed workers across the UK during January 2015. It is the second year Drewberry has conducted this survey. The results of the previous survey can be viewed here: <http://www.drewberryinsurance.co.uk/press-release/health-protection-insurance-survey-2013>

About Drewberry Insurance

Drewberry Insurance is a trading name of Drewberry Ltd, which operates as a whole of market insurance intermediary for health and protection insurance products. Drewberry Insurance offer specialised insurance advisory services for a range of individual and corporate policies including life insurance, income protection, critical illness cover, health insurance, keyman insurance and employee benefits. More information is available at www.drewberryinsurance.co.uk.

For advice consumers can call 020 8432 7333 or email enquiries@drewberryltd.com

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