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**AUTO-ENROLMENT SPURS EMPLOYERS TO INVEST IN BENEFITS
PACKAGE**

- Over two in five (41%) employers envisage upping the value of their benefits package
- Up to 78% of businesses prepared to introduce group risk benefits alongside auto-enrolment

The imminent introduction of auto-enrolment looks set to trigger increased investment in employee benefits according to research from Group Risk Development (GRiD), the trade body for the group risk industry.

More than two in five employers (41%) questioned claimed to be looking to up the value of their benefits package during 2012. If this increased investment materialises, it would be in sharp contrast to recent trends. Just 16% of employers decided to add to the value of their benefits package over the past twelve months.

Currently, the average annual cost of the employee benefit package (excluding pension) is 2.19% of payroll but the study suggests that employers may place greater emphasis on benefit provision in view of the current public sector service squeeze. 19% of employers questioned said they were prepared to work with staff to ensure they were properly provided for in the face of public service cuts. A further 12% said they would be more likely to increase benefits in light of Government policy. Finally, 29% said life was tough but that they may look at their benefit packages in the near future.

Encouragingly, Group Risk benefits appear to be particularly high on employers' radar in the wake of legislative change. Among companies who don't currently offer group protection benefits, 53% would consider introducing Group Life Insurance, 68% would think about introducing Group Income Protection and 78% would consider initiating Group Critical Illness alongside auto-enrolment.

Katharine Moxham, spokesperson for GRiD, commented: “Employers will currently be facing the introduction of auto-enrolment with varying degrees of confidence or trepidation. It is very positive to see that employers are considering further investment in their benefits package alongside auto-enrolment and specifically that they are acknowledging the major role protection benefits can play in managing absence and fostering employee wellbeing.”

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About GRiD Employer Research

The Group Risk Employer Research study was undertaken in October 2011 among a sample of 500 UK businesses. Research was conducted by Lightspeed Research for Group Risk Development (GRiD) and sponsored by Towers Watson, Aviva, Munich Re, Enrich, Canada Life, Portus Consulting, Mercer, Legal & General, Zurich Corporate Risk, Swiss Re, RGA, Unum, Lutine, Risk Assurance Management (RAM), Ellipse, Friends Life, Met Life, Lane Clark & Peacock, Self Assured Limited, Bluefin, Gen Re and Generali.

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 David Cross, Head of Benefits, General Consulting, Towers Watson, 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.

In July 2010, GRiD was named Organisation of the Year 2010 by the Protection Review.