

**Press release  
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**Case study: GRiD member, Kerr Henderson, proves Group Income Protection is affordable for SMEs**

Employee benefits consultancy, Kerr Henderson, has recently arranged Group Income Protection (GIP) for employees at Kandor Solutions Ltd . a small IT start-up in Belfast. The policy was initially introduced to ensure continuity of coverage for two staff who set up the company and wanted to mirror benefits from their previous employer.

Kerr Henderson selected insurer Ellipse which was able to offer a premium of just £20 per year for the initial two-person scheme with a benefit of 50% of salary payable after 26 weeks absence from work for up to 5 years. Two other members of staff have now already joined the company and will also benefit from this cover.

The company believes this dispels the myth that GIP is an expensive benefit for the lucky few in large organisations that can afford it. GIP has become increasingly affordable over the years, and, as a benefit that can potentially pay out many thousands, is hugely valued. In addition to the financial benefits, practical support is often also available, such as access to rehabilitation services to support a return to work.

**Philip Johnston, managing director for Kandor Solutions, said:** "As a start-up, we have a delicate balance of managing costs and investing in our company. It is imperative that we look after our staff; Group Income Protection is a great benefit that helps us do this, and it's excellent that it's so affordable. Not only does it enable us to meet our contractual promise of long-term sick pay, it demonstrates to staff that they're important to us."

**John Kerr, managing director of Kerr Henderson and GRiD member, said:** "Given the young profile of the scheme members, we didn't expect the premiums to be high but I think it's true to say that even we were very nicely surprised."

"Larger employers typically offer their staff a broader range of benefits but if a smaller employer wants to compete in the same league in order to recruit and retain the best staff, they may need to consider cherry-picking specific employee benefits. GIP is perhaps a lesser-known benefit amongst SMEs but one that is cost effective and really valued by staff once they understand its application."

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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, Head of Business Development UK and Ireland Life, Munich Re, 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](http://www.grouprisk.org.uk)

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