



**Press release
20 October 2016**

70% of employers overestimate cost of group risk financial protection, says GRiD

Research* from Group Risk Development (GRiD) shows that the majority of employers overestimate the cost of group risk financial protection for their staff (employer-sponsored life assurance, income protection and critical illness).

It typically costs less than 0.5% of payroll to offer Group Life Assurance to an entire workforce, yet 70% of employers believe that it would cost them more than that, with 8% believing it will cost them more than 10%.

It's a similar story for Group Income Protection. Typical costs are less than 1% of payroll, yet 60% of employers believe it will cost them more, with 9% thinking it will cost them in excess of 10%.

60% of employers accept that they have a greater role to play in protecting the health and welfare of their staff, and providing financial resilience for staff through Group Risk protection products can be one of the most cost-effective ways for employers to do just this.

Many employees overestimate how much the State would support them and their dependants in the event of ill-health or death. Group Risk protection can fill the gap and provide some of the most valuable benefits in real terms, giving financial support at a time when it's most needed. The good news is, it's much more affordable for businesses to provide such support than they realise.

Group Risk protection products provide a financial lifeline after an extraordinary life-changing event. Importantly, they also offer a remarkable number of inherent services that are extremely useful to support both the employer and employee during difficult times. These include access to an Employee Assistance Programme (EAP), bereavement support, help with probate, fast access to counselling, vocational rehabilitation and even support for improving health & wellbeing. This support can be highly valued by the employee, but can also benefit the business in supporting people returning to work.

GRiD is urging employers to consider Group Risk protection for their staff in light of the value it brings and the much lower cost than many would have undoubtedly anticipated.

The group risk market is competitive, which is good news for employers. Products are being developed and enhanced all the time, and they have become increasingly cost-effective. Today's products are developed to work with the needs of 21st century UK plc.

Katharine Moxham, spokesperson for GRiD says: "The industry recognises that every business has its own needs and there are solutions to meet every budget. In today's age there is no reason why every business can't provide some kind of Group Risk protection for its staff.

Group Risk protection policies cost less than many realise: savings can be made by not doubling up on benefits . such as paying separately for an EAP which is already included within a Group Risk policy - and there's great value to be had by using them. We are encouraging employers to talk to their group risk advisers to investigate the right option for them and make sure they're getting maximum value."

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Notes for editors

* Group Risk Annual Employer Research, conducted in September 2015 among 501 UK businesses with between 5 and 1,000 employees. Research was conducted by Lightspeed Research for Group Risk Development (GRiD).

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

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