

**Press release
27 March 2017**

Group life assurance pays out without the need for probate and provides bereavement counselling, says GRiD, ahead of bereavement benefit changes

From 6 April this year, the new Bereavement Support Payment will replace the current suite of State bereavement benefits (Bereavement Payment, Bereavement Allowance and Widowed Parents Allowance). On the face of it, the changes appear to be beneficial, with a refocus on the additional and more immediate costs of bereavement support for the 18-month period immediately following the bereavement (rather than for 12 months), and no loss of benefit on remarriage or re-partnering. However, many families will be worse off, especially those with children where the current Widowed Parents Allowance is paid until such time as Child Benefit stops.

As if to add insult to injury, the Ministry of Justice is also abolishing the current fee structure for probate and introducing a new banded structure based on the value of an estate . meaning that many people will be hit by much higher charges than they expect.

The combination of these changes could leave even more bereaved families significantly worse off.

Katharine Moxham, spokesperson for GRiD said: Group life assurance via the workplace has always played a valuable part in financially supporting dependants when a member of a family dies whilst in employment. However, we believe it is likely to become increasingly appreciated as families could now receive less in the way of State bereavement benefits, and are required to pay out more for probate.

Crucially, in the event of the death of someone whose employer provides group life assurance, benefits are generally paid within a few days without the need for probate, which ensures that families are not left on the bread line or with immediate financial concerns.

The extra help on top of a financial pay-out

As well as providing a financial benefit, most group life assurance providers offer built-in bereavement counselling services and probate helplines, which are free to access for dependants. This can provide a valuable emotional and practical lifeline for survivors at a particularly difficult time.

Moxham continued: It is well documented that many children experience a delayed grief, and bereaved parents need to support their children through this difficult period. However, without the right finances in place, they may be forced to return to work sooner or for longer hours than they wish to, or face other upheavals such as having to sell the family home. Group life assurance not only provides counselling and practical help for those left behind but it can also allow them to grieve properly without the burden of immediate financial pressures.+

Moxham concluded: Government has done very little to communicate to the public these changes to bereavement payments and probate. However, we would urge employers to consider discussing these issues with staff. Those employers who already provide their staff with group life assurance will easily be able to alleviate any concerns they may have about these changes.+

- Ends .

For more information about the Bereavement Support Payment:

<http://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/commons/2017-01-12/hcws409/>

<http://www.legislation.gov.uk/ukdsi/2017/9780111153062/contents>

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Notes for editors

About GRiD

Group Risk Development (GRiD) is the industry body for the group risk protection sector, promoting the value to UK businesses of providing financial protection for their staff, enhancing their wellbeing and improving employee engagement. Our membership includes insurers, reinsurers and intermediaries who have a collective wealth of experience built over years of operating in the group risk protection market. Under the chairmanship of Lee Lovett, CEO of Ellipse, GRiD aims to promote group risk through a collective voice to Government, policymakers, stakeholders and employers.

GRiD works with government departments and regulators involved in legislation and regulation affecting group risk benefits, and with other organisations involved in the benefits



and financial protection arenas. GRiD also seeks to enhance the industry's standing by encouraging best practice and by participating in industry-wide initiatives such as the professional qualification in group risk managed jointly with the Chartered Insurance Institute.

GRiD's media activity aims to generate a wider awareness and understanding of group risk products and their benefits for employers and employees.

GRiD's dedicated spokesperson, Katharine Moxham, provides expert media comment on a full range of group risk issues.

www.grouprisk.org.uk

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