

16 June 2016

SAVINGS SEEN AS MORE RELIABLE THAN PROTECTION

- **Remains true amongst those who have protection products in place**
 - **Opportunity for innovative marketing and product design**

A report released today from The Syndicate, the research arm of Protection Review, showed that over half (55%) of people see savings as a more reliable way of dealing with financial problems, rather than taking out an insurance policy. Just 9% disagreed that savings offer a better way to protect family finances than protection.

More alarmingly, this remained true for those who currently have protection policies in place. For those with income protection policies, 65% believed savings to be a more reliable option for safeguarding finances than protection insurance, along with 52% of those with critical illness cover and 47% of those with family or individual life insurance.

Peter Le Beau, of The Syndicate commented: “It is alarming to think that going through the protection sales process doesn’t appear to make policyholders significantly less likely to choose savings over protection, versus those who have never had cover, again highlighting the issues of conveying the value of protection.”

When people were asked about the importance of flexibility, the findings suggest this is an overwhelming factor. Well over half (59%) agreed that savings are a more flexible way of preparing for financial problems, which helps to explain the preference shown.

Savings are clearly viewed positively by consumers and feel like a tangible way of preparing for all eventualities. However, research by Scottish Widows showed that 60% of working adults could only survive on savings for a couple of months if they were unable to work. This highlights the inadequacy of many people’s savings as a protection strategy, but they are seemingly at odds with the trust that we see people placing in these savings.

Peter Le Beau added: “Savings are clearly at the heart of people’s financial planning preferences, as it’s an asset that can be more easily perceived in terms of value than an insurance policy. As an industry we must look at ways to help change the perception of protection amongst this audience, as many could not survive financially if they could not work.

There could be the potential for innovative product design and marketing to appeal more to an audience that values savings over protection.”

For further information go to www.protectionreview.co.uk/research

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Notes to editors

Consumer research carried out online by Opinium on behalf of The Syndicate, amongst a nationally representative poll of 2002 people from 24th – 31st March 2016.

60% of consumers not being able to survive for more than a couple of months on savings: Scottish Widows research published in November 2015.

About The Syndicate

Established five years ago, The Syndicate is a research proposition from Protection Review which seeks to provide consumer insight for the industry to better equip providers, advisers, reinsurers and anyone involved in delivering protection solutions.

About Protection Review

Protection Review is the definitive review of the UK's multi-billion pound health and protection insurance industry. Protection Review was established in 2003 by its then co-directors Peter Le Beau and Andy Couchman. In 2010 Kevin Carr joined as chief executive.

