

Is your income protected?

Half of UK workers see income protection as vital, yet only 27% have it

Recent research reveals a striking insight. 50% of the UK's working population believes they would feel more financially resilient with income protection insurance^[1]. This type of cover is specifically designed to provide financial support if you're unable to work due to illness or injury. Yet despite the peace of mind it offers, only 27% of UK workers currently hold an income protection policy.

This gap between awareness and action is concerning. With the average worker supporting three dependents and many households relying on dual incomes to meet monthly expenses, the loss of a salary could lead to immediate financial strain. The findings highlight a growing financial vulnerability across the country.

REALITY OF HOUSEHOLD RELIANCE

The research also highlights the precarious financial situation many households face. Household debt has risen by an average of £1,734 over the past year, reaching £20,640. Meanwhile, a third of UK workers have less than £5,000 in savings, and nearly a quarter have under £1,000. For these individuals, an unexpected period off work could be financially devastating.

Income protection can be a vital safety net in such situations. It provides a regular, tax-free monthly income during periods of illness or injury, helping you cover essential costs such as your mortgage or rent, utility bills and daily living expenses. This allows you to focus on your recovery without the added stress of financial worries.

BRIDGING THE PROTECTION GAP

The findings also highlight a significant protection gap among renters, women and single parents, groups that are often more vulnerable to financial shocks. As living costs continue to rise, a robust financial plan has never been more critical.

An income protection policy offers more than financial security; it provides confidence and peace of mind when you need it most. It's designed to help you build both emotional and financial resilience, enabling you to face life's challenges with greater stability. ■

IS IT TIME TO TAKE CONTROL OF YOUR FINANCIAL FUTURE?

Don't wait for the unexpected to happen. Protect your income and safeguard your family's financial wellbeing today. Speak to us to explore how income protection can work for you. Together, we'll create a plan that ensures you're prepared for whatever life throws your way.

Source data:

[1] Research from the LV= Reaching Resilience report – data from a survey of 2,720 nationally representative UK workers conducted for LV= by Opinium between 15 and 25 October 2024.

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