

The gender paradox: women aware of state health and welfare limitations yet group protection understanding and engagement low

A new study from Legal & General has found a gender paradox when it comes to group protection benefits, with more women than men being aware of the limitations of state health and welfare support, yet fewer actually fully engage with group protection benefits and services. We have defined “engaging” with the policy as including reviewing and adjusting cover levels according to need, using the embedded value services and / or making a claim.

Across group income protection (GIP), critical illness cover (CIC) and employee assistance programmes (EAPs) two-thirds of women (66% and similarly 63% of men) find these policies relevant to their health, wealth and happiness, yet far fewer women (56%) than men (68%) have engaged with these benefits.

Only 14% of women with a CIC policy have ever tweaked or topped up their policy (vs 24% of men), rising to 20% of women with a GIP (vs 38% of men). What’s more, half of all women with an EAP (49%) have never used any of the benefits on offer and 24% of women with GIP (vs just 12% of men) didn’t know if their policy came with free mental health and rehabilitation support.

Perceived irrelevance of benefits due to lack of product understanding, not lack of need

A fifth (22%) of women with GIP (26% of men) do not consider it relevant to them or their family, as do 25% of women with CIC and 35% with an EAP. When asked why, in all instances, ‘I feel the state provides this kind of support’ was featured far down the list of priorities (eg for CIC, only 7% of women, vs 17% of men).

The top reasons women gave for benefits not being relevant were as follows:

- **GIP:** 22% for the following three responses: ‘I don’t read all the company information – there’s just too much to take in’; ‘I’m never off sick so I don’t need it’; ‘I don’t understand the benefit’
- **CIC:** ‘My partner sorts out all the insurances we need’ (22%), suggesting that women are not always included in the decision-making process about a benefit that has relevance to both parties in a relationship.
- **EAP:** 23% for the following two responses: ‘I’d be concerned my employer may get to know too much about my health or private life’; and ‘my employer doesn’t really communicate the existence or relevance of benefits’.

When the product is understood, relevance and value is realised

Of those that have used GIP, a higher proportion of women (27%) than men (17%) said this was because ‘in the current climate, I am concerned about the pressure on NHS services so I want to protect my health the best I can’. This response was the thing women value most about the policy, on an equal footing alongside: ‘Financial peace of mind’ (27%) and ‘Nice to know my employer cares’ (27%).

The top reason for women valuing CIC was ‘Nice to know my employer cares’ (32%) followed by ‘Protecting the family, not just me’ (31%) and ‘Valuable addition to my overall reward package’ (27%).

Colin Fitzgerald, Distribution Director – Group Protection, Legal & General said:

“One of the key findings from our study is the disparity we have identified among the opinions and behaviours of women when it comes to their group protection policies. On the one hand, it’s reassuring to find that a high percentage of women understand the relevance of these benefits when it comes to self-

provision due to the limitations of state health and welfare support. On the other hand, the data shows a disconnect when it comes to how well women actually understand and therefore engage with the products and services available, particularly when compared to men.

“This signals a real need to position and communicate these products to women in a way that will help to educate, empower and increase engagement.”

Commenting on L&G’s findings, Sian Fisher, CEO of the Chartered Insurance Institute and co-founder of Insuring Women’s Futures said:

“The insurance and personal finance profession must improve the way it engages with women, help them consider the immediate and longer-term financial implications of their life choices or change in circumstances and empower them to take action to improve their financial resilience.”

Colin Fitzgerald concludes:

“These findings present an opportunity for advisers to expand the breadth of their consulting to include – in partnership with insurers – helping employers discover how to communicate effectively and making use of the tools some providers have in place to help to do this.

“Segmented and customised benefits and wellbeing communications that are designed to cut through the ‘noise’ and connect with people are key, with a focus on storytelling and humanising benefits, as opposed to insurance-speak, which can often be peppered with jargon, in a one-off communication.”

Notes to editors

Legal & General commissioned Opinium to carry out this research, involving 1,087 UK employees who have access to either IP, CIC or EAP. Dec 2020.

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³ Around 1 in 10 (11%) of the workforce is covered by group income protection, Swiss Re Group Watch 2020