

Adviser Q&A Star Letter

It's 2016, so why is it that there is still a gender gap between men and women who take out protection?

(Anna White, head of provider relationships at Right Mortgage and Protection Network)



**With Sarah Moore,
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It's an interesting question and one that genuinely puzzles me. Back in 2012 when the gender directive was coming in to force, the industry saw a surge in the number of women taking out protection. Since women statistically

live longer than men, they had generally been charged less for their life insurance. Following the EU ruling on harmonising pricing between genders, broadly speaking, the cost of life cover for women increased.

Some protection players (providers and advisers alike) ran campaigns to convince women to take out life insurance before their prices went up.

There was even a halo effect where sales of protection cover for women increased, but once the directive came into effect and pipelines were managed, sales settled down to their pre-directive imbalance again. The need is obviously still there, though. Women often earn less than male counterparts, have less money saved, and are still seen as the main carer for children: a fact borne out by the disparity in the uptake of parental leave from employers. Shared parental leave came in almost a year ago, yet it really hasn't taken off, with one report showing that only 2% of companies have seen a significant take-up. One reason for this lack of take-up could be that it requires a real cultural change, meaning that even in the 21st century, the role of stay-at-home parent is generally that of the woman.

And it takes a lot of work to prove the worth of a stay at home parent. After all, we're not insuring their income, we're insuring their output. Reporting has shown that a stay at home mum racks up chores that, were they paid for, would cost just under £30,000 a year. This figure is more



than the average UK salary in 2015. And it's not just cases where women are stay-at-home parents where they're the underinsured party: it's the same for working women, too.

So what is the reason why women aren't insuring themselves? Is it that we're not explaining the need for protection clearly enough? Breast cancer is the most common cancer in the UK and more than 99% of cases are in women; two to three times as many women as men are diagnosed with MS. Are we, as an industry, guilty of trying to distil the need down to a simple fact, to make it easier, or faster to communicate: 'Life cover – use it to pay off the family mortgage if you die'. We might instead make the more difficult questions, such as 'Who would pick the children up from school if you were having a chemotherapy session?' the driver for protection conversations.

Practicalities such as running the home, paying the bills, booking the holidays are the ones that are more often associated with women. I'm aware of making sweeping statements, but protection is a heady mix of the practical and the emotional, and the sale therefore needs to connect on both levels.

Take care of the mortgage payments, but take care of the family too. Make sure the children can stay in the family home. Don't leave your partner struggling to cover your salary, as well as support you through a critical illness.

So, why is there still a gender gap? Could it be because women have lower salaries and more immediate practical considerations – a recent Scottish Widows report showed more people take out pet insurance (14%) than CI cover (8%) – in addition to a lack of focus on the specific critical illness risks women face, and an income vs. output disparity? It does feel like these are the reasons why.

Sources: ABI Protection Sales, Scottish Widows Consumer Protection 2014-2015 summary report, My Family Care's latest employer research, Legal & General Value of a Parent 2015, Cancer Research UK, MS Society

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