

LV= report shows cash strapped Brits plan to cut insurance

Submitted by: pr-sending-enterprises

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Research by insurer LV= has revealed that more than five million Brits (12%) plan to cancel or reduce one or more of their insurance policies over the next 12 months, in a bid to save money during the recession, with home insurance policies set to be the hardest hit.

Of the 5.1 million who are looking to change their level of cover to save money 44% are considering cancelling or reducing their home insurance (http://www.lv.com/insurance/home_insurance/features_benefits). Overall, the most popular element of home insurance cover to cut is flood insurance (http://www.lv.com/insurance/home_insurance/tips_advice/storm_advice), with 29% of people saying this would top their list. This is despite numbers of flood claims increasing dramatically in the last three years due to bad weather and costing an average of nearly £17,000* each time.

Among those that are planning to cancel or reduce their insurance policies (<http://www.lv.com/insurance>) this year, 37% said they are considering downgrading their car insurance. Motorists in this situation should bear in mind that car insurance is a legal requirement. If they are caught without the right insurance they could risk a fine of £5000, disqualification and the car being seized and crushed by the police.

Another popular type of insurance to be cut back on is travel insurance. Almost a quarter of those who intend to cut back (22%) said they plan to cut or reduce their travel cover (http://www.lv.com/insurance/travel_insurance). Travel insurance is extremely cost effective, with insurance for a week in the sun costing from under £20**. This is compared with the cost of an air ambulance from the Canaries back to the UK carrying a fee of around £16,000***.

On average, those who are planning to cut their insurance cover this year believe they will save £125 over the course of the year, working out at just £10.41 in savings a month.

LV= warns consumers that they could leave themselves underinsured and exposed to costly bills by being too hasty in cancelling or reducing important cover.

John O'Roarke, managing director of LV= general insurance, said: "It's understandable that people are looking to ways in which they reduce their outgoings, however cancelling or reducing essential insurance cover could result in many people finding themselves seriously out of pocket if something untoward happens.

"Home contents insurance (http://www.lv.com/insurance/home_insurance/tips_advice/home-contents-insurance) is not legally required but anyone who has suffered a flood or break in will know how important it is to have cover in place as if you do have a problem and you don't have cover, the cost often runs into many thousands of pounds.

"I would just urge those looking to save a few pounds to consider the wider implications of leaving themselves without valuable insurance cover this year, as it is at time likes these, when money is short,

that insurance becomes evermore important."

Notes to editors:

* LV= internal claims data

** £17.62. Based on a 28-year-old male, travelling to Europe on 12 February for one week including personal possessions cover, £10 million medical cover, £5000 cancellation cover and £2500 for baggage and £500 for lost or stolen money. The policy has an excess of £50.

*** Commonwealth Office (FirstAssist)

Opinium Research carried out a survey of 2141 people between 16 and 20 January 2009.

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