

# As long-term unemployment reaches an all-time high, ActiveQuote.com says Income Protection can help

Submitted by: ActiveQuote Health

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According to the Office for National Statistics, long-term unemployment in the UK is at its highest level for 16 years. Income protection can offer valuable peace of mind during a recession, yet only a small percentage of the population take advantage of this type of insurance.

The latest figures from the Office for National Statistics reveal that the number of people unemployed for more than a year rose by 27,000 to 887,000, the highest level since 1996. But according to the fourth Scottish Widows Protection Report, three in four UK families have no financial protection in place if they lose their job through accident, sickness or involuntary unemployment.

Dr. Richard Theo, of comparison website ActiveQuote.com, believes that people are disregarding the most important type of insurance on the market. He said: "Many people insure their lives, cars and homes, but neglect to insure the one thing that maintains their lifestyle: their income. The latest ONS figures show that long-term unemployment is a growing problem in the UK, but people are not taking the necessary steps to protect themselves."

Income protection (<http://www.activequote.com/income-protection>) is designed to replace part of your monthly income should you lose your job through accident or sickness. Short term policies will only pay out for a limited time period- usually 12 months- but long term policies can pay out until retirement. Dr. Theo explains that for people who are worried about falling ill, long term income protection may be a wiser investment. He said: "Someone who has been off sick for 6 months or longer has an 80% chance of being off work for 5 years. Long term policies give a much greater level of protection, and may not cost much more."

The Office for National Statistics figures also show that there has been a massive rise in the number of part-time workers in the UK. Nearly eight million people are now in a part-time job, the highest since records began in 1992. Unfortunately, 1.4 million of these are in a part-time position because they cannot find full-time employment- the highest number on record.

Dr. Theo said: "For people who lose their primary income through redundancy, a part-time job may not be sufficient to meet their mortgage payments, bills and general lifestyle costs. Luckily, short term income protection policies often include cover for redundancy as well as accident and sickness. Whilst unemployment cover will only pay out for a maximum of 12 months, it will give you the financial support to find a new job and get back on your feet." Long term income protection policies do not usually include cover for redundancy, but it can be added as a bolt-on for a higher premium.

So if income protection is such a useful product, why is it being disregarded? According to a recent survey by insurer Bright Grey, 46% of people think that protection products are too expensive. But income protection is not a one-size-fits-all product, and each plan can be tailored to meet each individual requirement. Richard Theo said: "At ActiveQuote, we take the pain out of selecting a suitable policy."

“Our comparison engine will search all the leading UK insurers to find suitable quotes matching your needs with sophisticated features allowing you to quickly whittle the quotes down to identify the most cost effective policy with the appropriate cover. ActiveQuote is also an FSA regulated broker for income protection and health insurance (<http://www.activequote.com/health-insurance>), so expert advisors are always on hand to help customers with their choice.”

Whilst the UK has a long way to go before it pulls itself back out of the recession, income protection will keep you and your lifestyle afloat.

About ActiveQuote:

ActiveQuote Health Ltd is a specialist insurance broker, fully authorised and regulated by the Financial Services Authority (FSA). ActiveQuote offer free advice on health insurance (<http://www.activequote.com/health-insurance>) and income protection (<http://www.activequote.com/income-protection>) in the UK.

[enquiry@health.activequote.com](mailto:enquiry@health.activequote.com)

Tel: 0800 862 0373