

# The missing piece in the Financial Inclusion Debate?

## Improving access to household insurance



NOVEMBER 2017



Nearly **16m** adults who have some need for contents insurance have no insurance protection against, fire, flood or burglary

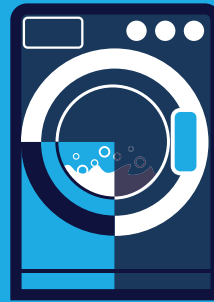
**10.5m** of these are renting...

...**2/3**



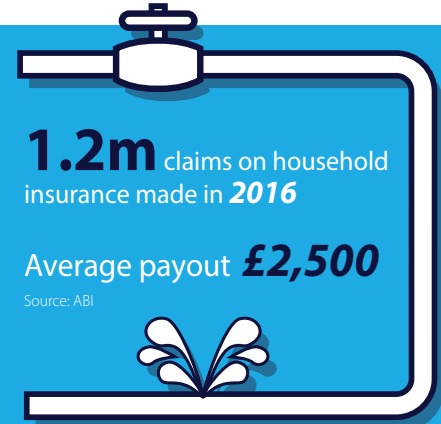
of these renters are potentially vulnerable

Source: FCA



only **1/4** of those in Social Housing could replace a washing machine from savings

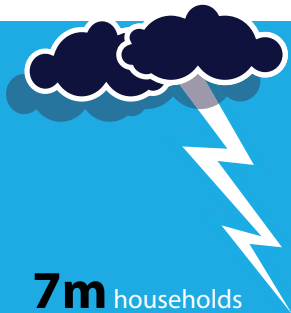
Source: Quids In



**1.2m** claims on household insurance made in **2016**

Average payout **£2,500**

Source: ABI



**£1,000**

made available at times of crisis could save 500,000 falling into problem debt

**7m** households do not have **£1,000** in cash savings

Source: Stepchange



Those on **LOWER** incomes face

**HIGHER** Risks

Source: ABI

The **UK** household insurance market

**£4.5bn** in premiums

Source: ABI



Average contents premium **£140** per year\*

\*Equates to approx. 38.5p per day

## The missing piece in the Financial Inclusion Debate?

Improving access to household insurance



Authors analysis of those  
**without home contents insurance**  
by tenure (million and proportion)

**5.4m people in privately  
rented accomodation** (Estimated)

**5.1m people in social housing** (Estimated)

**2.7m people owning with mortgage**

**2.5m people owning outright**



At least  
**750,000**  
have unspent  
criminal convictions  
and struggle  
to get cover

Source: Unlock



At least **19%**  
of adults find the information  
provided by insurers difficult  
to understand

rising to **25%**  
among those  
aged **18-25**

Source: CII



**28%**

of adults  
2015/16 say they  
**can't afford, or  
don't want, cover.**

(up from 21% in 2008/9)

Source: ONS



Low income  
households pay a  
**'poverty  
premium'**  
of **£27 per year**  
for insurance on possessions

Source: Bristol PFRC