

## How Ant can work for you!



**We all hate saving for a rainy day and, to be frank, we've never been worse at it - more than 50% of us don't have any savings at all according to official figures<sup>1</sup>. How would you and your family cope if you lost your job, even for just three or six months? How long would it be until the money for the rent, mortgage or bills ran out?**

Misplaced and often misunderstood accusations levelled at financial services providers of late has led to people indiscriminately giving products like Payment Protection Insurance a wide berth at a time when, arguably, they have never been needed more.

Ambulance staff, like all those in the public sector, have been dealt a particularly poor hand by insurers as their standard products are inflexible and don't compensate for public sector benefit packages which are often better than the private sector. Consequently, public sector workers have to pay the same high premiums as everyone else for accident, sickness and unemployment insurance (ASU), despite their inability to claim on their insurance for up to six months while they are receiving employer's full sick pay. So, while poorly paid public sector workers are the most in need of these products, they have traditionally been the least likely to buy them.

At last one insurer, Ant Insurance, has recognised this failure by the insurance industry to offer the public sector an appropriate and affordable option specially tailored to safeguard their finances. It has launched the first ASU Public Sector Workers Scheme - offering protection insurance products designed specifically for Ambulance Staff and other public sector workers - and it's not come too soon considering the facts:

**Fact 1:** Britain's unemployment rate in the public sector has reached its highest point for six years. There was a decrease of 44,000 people in public sector employment between April and June this year. This fall was mainly in the NHS (21,000) and the Civil Service (19,000).<sup>2</sup>

**Fact 2:** Consumer debt is at an all time high of £1.5 trillion, mortgage affordability is at its worst level for 16 years<sup>3</sup>, and most people would fall behind on their mortgage repayments within a month of redundancy without any form of protection.

ASU insurance is the umbrella term for all insurance policies that offer some form of financial protection in the event of accident, sickness or unemployment. Amongst others, ASU insurance

includes Mortgage Payment Protection (MPPI), and Short-Term Income Protection insurance.

ASU Mortgage Payment Protection (MPPI) is perhaps the best known protection product by most people as this is the insurance policy your mortgage lender or broker will recommend to you when you take out a mortgage. MPPI covers your mortgage payments and associated mortgage costs and payment is usually made direct to the lender.

ASU Short-Term Income Protection could perhaps more usefully be called income replacement insurance. Rather than cover the payments on an individual loan or mortgage, the policy will pay you personally up to 75% of your income in the event of accident, sickness or unemployment. It can be used to cover any financial outgoing, including rent, loan payments or household bills.

Most policies provide 12 months benefit cover per claim (the consecutive months the insurance pays out for per claim), although Ant Insurance offers an additional choice of 3 or 6 month cover options for people that only need a short-term 'band-aid' to get themselves back up on their feet. Compared to ASU policies from other standalone providers, ambulance staff can be £36.12 better off a month under Ant Insurance's new

scheme. Compared to the high street lenders this figure can rise to an incredible £263.89 per month.<sup>4</sup>

The founders of Ant Insurance are a husband and wife team, Pam and John Needham, who are both ex-public sector workers. John comments: "We discovered the value of income protection the hard way - a member of our family was made redundant without it. When we investigated the market, we were disappointed; we felt the policies were neither flexible nor affordable enough for people that really need income protection. So we set up Ant Insurance and we're really proud to be able to offer a product which finally gives public servants a fair deal."

*Ant Insurance is recommended by Martin Lewis from [www.moneysavingexpert.co.uk](http://www.moneysavingexpert.co.uk) and won the What Mortgage MPPI Award 2007.*

<sup>1</sup> IPPR - Institute for Public Policy Research 2007

<sup>2</sup> ONS September 2007

<sup>3</sup> Council of Mortgage Lenders November 2007

<sup>4</sup> All price comparison figures are taken from [MoneySupermarket.com](http://MoneySupermarket.com) and are correct as of 10.10.07.

Comparisons are of 12 months' benefit periods; even greater saving can be achieved Ant Insurance's 3 or 6 months benefit periods are taken. Average salaries have been taken from Office of National Statistics Annual Survey of Hours and Earnings 2005.

