

## **Brits Could Face 'Financial Crisis'**

*An increasing proportion of Britons could be coming under financial pressure, new figures suggest.*

November 13, 2007 (FPRC) -- In research conducted by Legal & General, millions of people are avoiding taking out the three forms of cover - life insurance, income protection and critical illness insurance - with some 54 per cent of consumers not having any such policies. The study also showed that just 14 per cent of people have income protection, in comparison to the 22 per cent who have taken out mobile phone cover. Meanwhile, 41 per cent of Britons possess life insurance with less than one in five (17 per cent) having critical illness cover. However, should consumers unexpectedly lose their job or become ill, not having such insurance in place could well see them struggle to meet various demands on their spending, for example utility bills, secured loans and mortgage costs.

Out of those who lack any form of protective policy, 20 per cent stated that such insurance was too expensive. Meanwhile, nine per cent of respondents reported they were prepared to run the risk that they will not become ill or die prematurely. Research from the insurance company also indicated that 29 per cent believe they do not have enough financial commitments to make them get cover.

However should they die unexpectedly, 15 per cent of consumers reported that their families would rely on their savings, while nine per cent would sell their property. And with ten per cent of those surveyed admitting that they simply do not know how their family will manage financially, it is quite possible that many households could develop difficulties paying back credit cards, home loans, bills and other monetary commitments in the aftermath of the death of a loved one.

Commenting on the figures, Bonnie Burns, protection product marketing director for Legal & General, said: "The nation's priorities seem misguided, with people more worried about losing their mobile than about how they would cope financially if they had a critical illness. We all know that it is difficult to face up to our own mortality, but when insuring possessions is prioritised above insuring lives, then something has to be done."

She added that as "protection insurance is widely available, value-for-money and easy to arrange", there should be "no reason" for consumers not to consider taking out such cover to help safeguard their finances should the worst happen.

As a result, those who would like to take out protection insurance but are currently under so much financial pressure that they feel that they cannot afford cover may wish to consider applying for a debt consolidation loan. In taking out such a loan, borrowers will be able to meet demands on spending, such as plastic card debt, quickly and so have more disposable income left at the end of each month. Meanwhile, getting a debt consolidation loan could also be recommended to help with the rising cost of living as research carried out by uSwitch earlier this month indicated that taxes and social contributions have risen by 85 and 77 per cent respectively over the past decade, in comparison to the five per cent growth in net household income.

Loan Arrangers providing you with breaking debt consolidation loans news.

**Contact Information**

For more information contact Mark Dawson of Loan Arrangers (<http://>)

**Keywords**

[secured loans](#)

[home loans](#)

[debt consolidation loans](#)

You can read this press release online [here](#)