

Consumers Playing ‘Russian Roulette’ By Not Getting Insurance

Surging living costs may be placing many people under financial pressure in later life, new research indicates.

December 14, 2007 (FPRC) -- A study released by Sainsbury's Finance has revealed that the expense of day-to-day living costs have risen by some 4.2 per cent between October and November. This is a figure which could well impact upon consumers' ability to meet various demands on their spending such as utility bills, store cards and loans. However, research from the financial services firm showed that 21.9 million people have opted out getting at least one type of insurance product. Consequently, many Britons could well see that their capacity to manage their money tightened further if they have an accident for which they are not covered.

Overall, some 4.7 million consumers do not have any home contents insurance, with 4.28 million holidaymakers failing to purchase travel insurance cover the last time they went away. However, the financial services firm reported that "the situation is even worse" for the 55 per cent of dog and cat owners who do not have cover for their pets. And should their animal unexpectedly fall ill, such consumers may be forced to pay for veterinary costs themselves, something which could be financed through a cheap loan.

Findings from Sainsbury's also revealed that 2.9 million adults claim that the main reason why they do not have insurance is because they see it as too expensive or are unable to afford cover. However, for many applying for a cheap consolidation loan could be a useful way in which to free up disposable income that in turn could be used to help purchase insurance, pay off bills or fund home improvements.

Steve Johnson, head of insurance for Sainsbury's Finance, said: "Insurance is an absolute must, but our research suggests that millions of people are playing Russian roulette by opting to do without. Those people finding it difficult to afford insurance due to the rising cost in living need to ensure that they shop around for the best cover because this can dramatically reduce price."

He added that people concerned about their capacity to afford insurance may wish to take out a policy over the internet. Seeking out cover online, the financial services expert reported, may see many consumers benefit from a discount of between ten and 20 per cent. Spreading the expense of a premium through a monthly direct debit was also suggested as one way in which to ease financial pressures.

For those looking to reduce pressure on their finance, whether to help them to afford insurance cover, pay for household bills or save in pension schemes, a debt consolidation loan may be advisable. Such a loan could be particularly useful for a number of Britons after a recent study by the Motley Fool indicated that 16 per cent of people are embarrassed by levels of indebtedness via loans, credit cards and other means. However, two-thirds of people believe that talking about money should be kept private, while a third that think any discussion on such a topic is "downright rude".

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