How can insurers better protect victims and survivors of abuse?

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‘He saw our children as possessions': my husband killed our sons

Claire Throssell's sons were burnt to death by her husband. Now she is campaigning to help prevent others suffering as she has

▲ Claire Throssell: ‘I can't allow my sons' deaths to be in vain' Photograph: Christopher Thomond/The Guardian

> The months that followed, though, tested Claire's strength. Not only had she lost her sons, but her house was destroyed and Sykes had written to the bank stating he was no longer responsible for the mortgage, and had not renewed the home insurance. It was only the incredible generosity of the local community that meant the house could be rebuilt and sold.

M. Rawlins 2018. 'He saw our children as possessions: my husband killed our sons' in The Guardian

Economic abuse

"interfering with a partner's ability to acquire, use and maintain economic resources"

A.E. Adams, C.M. Sullivan, D. Bybee & M.R. Greeson, 'Development of the Scale of Economic Abuse', *Violence Against Women*, 2008, 14(5), 563.

Surviving Economic Abuse (SEA)

The only UK charity dedicated to raising awareness of and transforming responses to economic abuse

SEA's research on insurance and abuse

- Literature review (US, Australia)
- First hand testimonies of survivors
- Review of decisions of the Financial Ombudsman which identified 26 insurance cases relevant to domestic abuse

Victims and survivors of abuse are inadvertedly excluded from insurance protection:

1. Victims and survivors are excluded from taking out insurance
2. They are unable to claim for damage caused by ex-partners who are often considered "household members"
3. Sensitive information is sometimes discolosed to the abuser
4. Insurance staff may not treat victims and survivors appropriately
5. Victims and survivors struggle to access information about their insurance
6. Policies are taken out, cancelled or changed without their consent

12 perils and pitfalls impairing young women's financial security (Chartered Insurance Institute)

12 Perils and Pitfalls impairing young women's financial security

Our analysis considers risk faced by women throughout life, from girls and young women through to the end of life. In order to identify those risks creating the most significant exposures for women (referred to as Perils and Pitfalls), we have analysed risk data based on a number of groupings. These relate to: the World of work, Modern families, Future wellness and Financial futures. Further details are provided on the breakdown of our data analysis on page 10-11.

Female financial capability imperative
There is a need to improve women's relationship with money and risk, addressing gender financial stereotyping. Only 37% of women aged 18-24 years feel very confident managing their money, compared with 48% of men. 52% of women in their late 20s say they do not understand enough to make decisions about retirement savings, compared with 38% of men.

Gender pay gap
The median gross pay for men in full-time work in 2016 was 9.4% higher than women's. However more women work part time than men, and the gender gap including both full-time and part-time was 18.1%. Women make up the majority of administrative and secretarial employees which are at higher risk of being made redundant through automation. Some sectors that are predominantly made up of female workers have less risk of automation, such as caring, leisure and other service roles. However, these roles are among the lowest paid in the UK economy, and are likely to remain so over coming decades.

Flexible working sacrifice
Women continue to bear the brunt of domestic tasks, despite changing attitudes to women and work, with 43% of people believing mothers should work part time. 61% of returning mothers opt to work part time, although this has a huge impact on women's earnings and career progression (part time women earn 30% less per hour than full time) impacting savings and pensions provision.

Women's wellness threat
Women are more health conscious today, however they are increasingly exposed to health risk through diet and obesity, as well as suffering rising levels of mental ill-health throughout their lives. The proportion of 16-24 year olds with normal BMI has fallen from 67% to 55% between 1995 and 2015. More than 1 in 4 women aged 16-24 reported mental health conditions – a rise of 21% from 2007, and 53% women in their 30s and 40s have suffered mental health conditions. Women are less financially resilient through the life course with relatively little savings cushion (1/3rd of women in their 30s say their money would not last a month if they lost their main source of income), meaning they are more vulnerable to themselves, their partners or family members becoming ill and unable to earn The imbalance in pension provision between couples leaves women exposed if they are not involved in retirement planning.

Girls' apprenticeship gap
Young male apprentices are paid 21% per hour more than females largely due to the industry sector they join. As the government encourages more men and women to build their careers through apprenticeships (aiming for 3 million by 2020), it is vital to women's financial independence that women and girls are aware of the relative earnings potential for their chosen career, and implications for the future.

Cohabitation pitfall
While marriage is the most common form of union, more young people are cohabiting (nearly 1/4 of 30-34 year olds) and couples are marrying later (women at 34, men at 37). 35% of people mistakenly believe cohabiting couples have the same rights as married couples in the event of break ups. Women with children are most vulnerable and this risk is increasing given the doubling in the number of cohabiting families over the last two decades.

Divorce and separation setback
Divorce and separation can have a significant short and long term impact on women's health and well being, earnings potential and savings. 1 in 3 married people divorce by their 15th anniversary, and 71% divorcing couples do not discuss their pension during divorce proceedings, leaving women missing out on £5bn every year. 65% of divorced women have experienced mental health issues, 45% are in debt and the median pension wealth of divorced women is only £9,000, (separated women £0), compared with £30,000 for divorced men (£12,000 separated men). 86% of lone parent families are headed by women, making it harder for women to re-enter work and achieve career success (as evidenced by a rise in the gender pay gap in the 40s).

Women's pension deficit
With the average maternal age rising, women are increasingly caring for children as they become older with further implications for their retirement provision. An increasing number are also caring for adults in their 40s as well as children (1 in 7), and especially their late 50s and 60s, impacting capacity to earn, and provide for their own later life provision. The median pension wealth for married men and women is £53,000 and £10,000 respectively, and at age 65-69 men's average peak pension wealth is five times that of women's (£36,000 for women). The imbalance in pension provision between couples leaves women exposed if they are not involved in retirement planning.

Young women's graduation burden
More women are entering higher education and achieving success, however choice of degree subject and related career decisions, together with part-time working and disproportionate caring responsibilities later in life, contribute to it taking significantly longer for women to pay off their student loans than men. With the cost of studying rising (from £16,200 for a student in 2011 to £32,200 in 2017), it will take some women over 30 years to repay the cost of their degrees (for example, finance professions - age 51 for men, 38 for women). Only 17% of women are opting for high tech courses (which often leads to higher paid jobs).

Motherhood and caring penalty
Women's long-term earning potential and financial security is jeopardised as a result of their taking the majority of caring responsibilities both for children and elderly relatives (1/3rd women in late 50s care for an adult). Notwithstanding the gap between mothers and non mothers working is expected to close by 2022, women still do twice as much housework and childcare as men (36 hours per week). By stopping work and putting careers on hold women are financially dependent on partners, with potential financial risk exposure should their relationships break up and if women are not involved in financial decisions.

Domestic abuse danger
12.6% of 16-19 year old girls experience domestic abuse each year, and 1 in 5 adults has experienced financial coercion in a current or past relationship, (60% are women). Women are particularly vulnerable when relationships break down - 1/5th of divorced and separated women suffer domestic abuse.

Longevity trap
Women live longer than men (average life expectancy 83.1 years, 79.5 for men), but also experience more years in ill-health (19 years for women, 16 years for men). Women are increasingly likely to need home help towards the ends of their lives, and in addition, old age care. The average cost for women entering a care home between ages 65 and 74 is £132,000 (£87,000 for men). Currently, just under half of residential care is self-funded, mainly through realising housing assets, and the need to self-fund is set to increase over time alongside rising care costs. Care provision will become more difficult for young women who will likely have less assets and as home ownership and state provision declines.

Chartered Insurance Institute, Securing the financial future of the next generation, 2018

How can the insurance industry respond?

- Examine specific risks to women's financial resilience throughout their lives
- Work at company level and as an industry to address key barriers
- Partner with charities and organizations supporting victims and survivors
- Adapt processes and systems
- Reassess outdated policy wordings
- Train staff in understanding and recognising signs of abuse

Lessons from the banking industry: The Financial Abuse Code of Practice

- Introduced by UK Finance in 2018
- 18 banks and building societies are currently participating, with the support of numerous charities and other organizations
- The principles include measures such as:
  - Staff training to identify and respond to victims of economic abuse
  - Changes in communications to ensure victims' safety
  - Minimizing the need for victims to repeat their story
  - Allowing non-traditional documentation for proof of identity and address
  - Allowing for the closure of joint accounts without both parties present in certain cases

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THE FEMINIST FINANCE PODCAST

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Further information

- Australian Economic Abuse Reference Group, “Insurance and Family Violence”, 2017
- Women’s Law Project, “Insurance Discrimination against victims of domestic violence”, 2016
- Sharp-Jeffs, “Supporting survivors of financial abuse: learning for the UK”, 2016
- Cunningham, “The right of an innocent co-insured spouse to recover under a ‘joint’ insurance policy”, 1993