

## The Gay Life Assurance Report

Welcome to the first ever report into the Life Assurance and Protection needs of gay couples and individuals. The aim of this report is to assess the Life Assurance needs of the gay community and offer some opinion on the findings. It's been over a ten years since Chris Morgan, started his campaign for Equality within the Life Assurance Industry.

He has since been helping the gay community find life Assurance products without fear of discrimination. Over the last decade we've seen the removal of the 'Gay Question', Equalisation of HIV Testing limits and changes to way insurance is underwritten now based upon sexual behaviour instead of sexuality.

### 'The Great Gay Shortfall'

Recent research conducted by Chris suggests that gay couple are underinsured significantly against the national average cost of a home. This staggering fact would suggest that gay couples are not even covering their home, or mortgage sufficiently, let alone their civil partnership or dual incomes within their relationship.

With the average gay man earning £34,200\* it would take a lump sum of £684,000 to provide an ongoing, inflation protected income of this amount. Following his research he has been left wondering about the reasons for the average policy taken out by a gay couple amounting to only £179,684, when the average home in England and Wales is £198,939.\*

Further research into the average amount of cover taken by Gay Individuals also came up with another astonishing fact. The average amount of Life Assurance taken by Gay Individuals equates to £199,688. Any reasonable assumption would be that couples have more of an insurable interest, therefore should be insured for more.

Chris, the countries leading gay insurance expert has been left pondering the results of The Gay Life Assurance Survey and trying to work out exactly the reasons behind these interesting findings. He hopes to find some of the reasons in the paragraphs below as he publishes his research for the first time.

### 'Suitable Reasons'

The Gay Life Assurance survey has established that gay men are significantly under insuring themselves and their relationships. Here are some of Chris's theories on these findings and some examples of the opportunities that now exist for gay men when taking Life Assurance.

The results of the survey suggest that part of gay culture is to avoid taking insurance and Chris believes that the discrimination Life Assurance Companies showed towards Gay men Between for over a decade (1995 – 2005) is probably the main reason for the 'Great Gay Shortfall'.

During this ten year period Life Assurer's asked explicitly if a person was Gay and then sent them for HIV Testing automatically. It was not unusual for Gay men to be asked for additional premiums and their names were then added to the impaired life's register. This history and stigma is obviously contributing to gay men under insuring their lives.

Since 2005, there have been significant changes to the way that gay men are treated by Life Assurers through the Association of British Insurer's HIV and Insurance Guidelines. These removed all gay questions and based underwriting decisions on Sexual Behaviour instead of a person's sexuality.



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## 'Insurable Interest'

As gay men are now able to now obtain Life Assurance without HIV testing you would have thought that they would have taken more Life Assurance to protect their interests. The first rule of taking Life Assurance is to protect your liabilities, like Mortgage, Loans, Credit Cards and Overdraft, before moving on to family and relationships.

It could be that there is still a lack of awareness of what is the ideal level of insurance? The figure of £684,000 comes from the need to produce a lump sum that if invested would produce the average gay man's income of £32,000\*. With gay men underinsured by an average of £400,000, the need to insure has never been more apparent.

These figures are based upon amount of money being invested at 5% interest, so the original capital stays inflation proofed and continues to provide income for as long as it is needed. It's important that any amount of money paid out upon death is not eroded by inflation as it is being used to look after your loved ones.

This formula is not set in concrete because every 'Insurable Interest' is different, with couple's level of dependency and needs obviously higher than individual's. Factors like imbalances in income, debts, children, child support payments can all place anomalies into the equation. It's best to get independent advice when making your calculations.

## 'New Opportunities'

If you now think that you may be underinsured, then not to worry because the opportunities for gay men and women have never been greater for protecting their lifestyle, partnerships and children. Here are some tips to help people trying to find life assurance without personal questions, HIV testing, or unreasonable premiums.

Life Assurance is the most common type of insurance that most gay people will have some form of requirement. With most restrictions on underwriting now removed, there are many different providers and literally hundreds of different products. Therefore the insurance situation for gay men is no longer one of exclusion, but one of inertia.

With gay men now able to obtain up to at least £1,000,000 thanks to the new guidelines, it's quite disappointing that gay men have such a massive shortfall in their Life Assurance. The barriers to obtaining insurance have all been removed for gay men and they can now obtain the exactly the same premium rates as heterosexual's.

We can only be left wondering if the treatment towards gay men over the last decade has left some kind of fear, or stigma in applicants approaching Life Assurance Companies. Ten Years of gay men being asked about their personal affairs and then being sent for a compulsory HIV test has obviously left gay men with a reluctance to protect themselves.

## Conclusion

*'The last decade has really been a rollercoaster journey representing the Gay Community within the Life Assurance Industry. From the early days of prolonged press and media campaigns highlighting discrimination, through difficult negotiation's with the insurers and reinsurers to creating the guidelines that are used in the industry today'.*

*'It's been a pleasure to help gay people obtain Life Assurance, especially now that joint applications can be made without hesitation. I feel very proud that gay men and women can now obtain higher amounts of Life Assurance, Income Protection, Critical Illness Cover and Private Medical Insurance without fear of discrimination.'*

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\* Chris surveyed over 100 Life Assurance policies taken by gay individuals and couples between April 2007 and March 2009. The Average Cost of a home is from the Land Registry of England and Wales, January to March 2009. Average Income Figures are latest available from the Gay Times and Pink Paper reader survey.