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EXECUTIVE SUMMARY

This report gives the results of a survey of 3,234 New Zealanders who are members of Horizon Research's HorizonPoll panel, which represents the adult population at the 2006 census. It covers the impact on households when serious illness means that the primary income earner is unable to work for a period of 3 months or more. The survey has an overall margin of error of $\pm 1.8\%$.

The survey finds:

- 1 in 7 households in New Zealand have experienced a serious illness event over the past 5 years that resulted in an inability to work for 3 months or more and consequent loss of income. If a serious illness event that resulted in the primary income earner being unable to work occurred, there is a significant effect on households' ability to continue to pay their household expenses and maintain their lifestyle, once sick leave and annual leave ran out:
 - 20% of households would only be able to continue to meet their expenses for 1 week.
 - Another 14% would be able to continue for 2 weeks.
 - By 4 weeks after sick leave and annual leave ran out, an overall 55% of households would be unable to pay all their expenses and maintain their lifestyle.
 - The survey shows that only 20% of households would be able to cope for more than 12 months
- The incidence of serious illness resulting in an inability to work is higher than the incidence of having an accident resulting in an inability to work:
 - If the illness or accident resulted in an inability to work for 3 months to 6 months, the incidence of illness is 1.3 times the incidence of an accident.
 - If the illness or accident resulted in an inability to work for 6 months or more the incidence of illness is 2.6 times the incidence of an accident.

The impact of a serious illness event will be magnified for most households by an apparent lack of financial preparedness, reserves or protection:

- Half of all households would not be able to pay the mortgage or rent 4 to 5 weeks after any sick leave and annual leave runs out, even if they stopped paying other expenses.

People who have experienced such an event describe the household as "struggling" and "getting by", and respondents said that if it happened to their households, they would need to sell assets and make significant lifestyle changes.

Overall, if the primary income earner was not able to work, households would need an average of \$652 after tax per week to meet their expenses and maintain their lifestyle. The amount required rises with average annual household income:

Household Income

Less than \$20,000 per year	\$341
Between \$20,001 and \$30,000 per year	\$437
Between \$30,001 and \$50,000 per year	\$505
Between \$50,001 and \$70,000 per year	\$736
Between \$70,001 and \$100,000 per year	\$729
Between \$100,001 and \$150,000 per year	\$939
Between \$150,001 and \$200,000 per year	\$1,114
More than \$200,000 per year	\$1,279
Don't know/ prefer not to say	\$848

Households with a mortgage need more than the average to meet their commitments, as do households with children. There is a significant gap between what is needed and what is available through the state as a sickness benefit.

The incidence of income protection insurance among mortgage holders is greater than the overall 15%, but at least 70% of households with a mortgage do not have income protection.

Based on the data from this survey and using Statistics NZ estimates of the number of households at 30 September 2012:

- 972,700 households with an annual household income greater than \$20,000 do not have income protection insurance
- 13,030 of those households will experience an illness event each year where the main earner is unable to work for 3 months to 6 months. As a comparison, 10,300 of those households will have the main earner experience an accident resulting in them being unable to work for 3 months to 6 months.
- 14,980 of those households will experience an illness event each year where the main earner is unable to work for 6 months or more. As a comparison, 5,800 of those households will have the main earner experience an accident resulting in them being unable to work for more than 6 months.

Key findings:

Incidence of serious illness, accident or unemployment:

- In the past 5 years:
 - 31% of households had someone experience unemployment for 3 months to 6 months.
 - 28% of households had someone experience unemployment for 6 months or more.
 - 14% had someone experience a serious illness that meant they were unable to work for 3 months to 6 months.
 - 14% had someone experience a serious illness that meant they were unable to work for 6 months or more.
 - 9% had someone have an accident that meant that they were on ACC for 3 months to 6 months.
 - 6% had someone have an accident that meant that they were on ACC for 6 months or more.

Managing with serious illness:

- Respondents whose households had experienced a serious illness resulting in an inability to work described the household coping as a “struggle” or “getting by”.
- An illustrative quote:
“I managed on the sickness benefit. It was hard - you have to live very plainly.”

Impact of serious illness on individual and household:

- 45% of working respondents had 4 weeks’ annual leave entitlement, 10% had 5 weeks and 29% had no set entitlement.
- An overall average of 20% of households would be able to cope for more than 12 months with paying their household expenses and maintaining their lifestyle if a serious illness event that resulted in the primary income earner being unable to work.
- From respondents’ figures:
 - an overall third of households would not be able to pay their bills within 2 weeks of any sick leave and annual leave entitlement running out; and
 - by 4 weeks after sick leave and annual leave ran out, 55% of households would be unable to pay all their expenses and maintain their lifestyle.
- Based on responses, once sick leave and annual leave ran out for a primary income earner who was unable to work:
 - 53% of households that rent would be unable to pay their rent 8 weeks after the beginning of a serious illness event; and
 - 50% of households that own their home and have a mortgage would be unable to pay their mortgage 9.4 weeks after the beginning of a serious illness event.
- Comments suggest that most households have little or no reserves and would find it very difficult to cope with loss of the primary income.

Additional income needed to maintain standard of living:

- The overall average amount households would need was \$652 per week.
- People earning \$50,001 to \$100,000 required 43% more additional income than people earning up to \$50,000.
- People up to 44 years of age required 48% more additional income than people 45 and over.
- People with a mortgage required 47% more additional income than people who rent.
- Households with children required 37% more additional income than households without children.
- Every household where serious illness to the primary income earner occurs and where it is necessary for that person to receive a benefit is likely to find that the income available is lower than the average needed to maintain the household lifestyle.

Income protection insurance:

- 15% of respondents said that they had income protection insurance. This is equivalent to 249,500 households.
- Those without income protection insurance are more likely to be:
 - 55 years of age or more.
 - Personally earning less than \$30,000 per annum and with household income of less than \$50,000 per annum.
 - In households without children (couple only or single person) or in an extended family situation.
 - In households with a mortgage.

REPORT

1. Incidence of serious illness, accident or unemployment

To enable comparison with unemployment and accident statistics and establish a benchmark for serious illness, respondents were asked whether they or the main earner (where they were not the main earner in their household) had had any of the following events occur:

- A period of unemployment for 3 months to 6 months
- A period of unemployment for 6 months or more
- A serious illness that meant that they were unable to work for 3 months to 6 months
- A serious illness that meant that they were unable to work for more than 6 months
- An accident that meant that they were on ACC for 3 months to 6 months
- An accident that meant that they were on ACC for 6 months or more

Responses indicate a higher incidence of serious illness than long term injury through accident:

Event	Incidence in last 5 years per household	Average per annum	Incidence in last 5 years of main earner	Average per annum
A period of unemployment for 3 months to 6 months	31.5%	6.3%	14.9%	3.0%
A period of unemployment for 6 months or more	28.2%	5.6%	12.6%	2.5%
A serious illness that meant that you were unable to work for 3 months to 6 months	14.4%	2.9%	6.7%	1.3%
A serious illness that meant that you were unable to work for more than 6 months	14.3%	2.9%	7.7%	1.5%
An accident that meant that you were on ACC for 3 months to 6 months	8.9%	1.8%	5.3%	1.1%
An accident that meant that you were on ACC for 6 months or more	6.2%	1.2%	3.0%	0.6%

Serious illness for 3 to 6 months was more prevalent where:

- the respondent was 35 to 64 years of age
- household income was less than \$30,000 per annum
- the respondent was not employed
- the household was a one-parent household or a single person household

Serious illness for more than 6 months was more prevalent where:

- the respondent was 45 to 64 years of age

- household income was between \$20,001 and \$50,000 per annum
- the respondent was not employed
- the household was a one-parent household or a single person household

Based on the data from this survey and using Statistics NZ estimates of the number of households at 30 September 2012:

- 16,900 households will experience an illness event each year where the main earner is unable to work for 3 months to 6 months. As a comparison, 13,400 households will have the main earner experience an accident resulting in them being unable to work for 3 months to 6 months.
- 19,400 households will experience an illness event each year where the main earner is unable to work for 6 months or more. As a comparison, 7,600 households will have the main earner experience an accident resulting in them being unable to work for more than 6 months.

2. Managing with serious illness

Respondents who said they or the main earner in their household had at one time become seriously ill and unable to work for three months or more were asked to describe how the household managed and what it was like.

Comments were a mix of struggle and “getting by”. There is a sense that people find prolonged episodes of illness extremely difficult for the household to cope with financially; even those who say they were “getting by” appear to have been only just “getting by”.

A sample of comments follows:

“With extreme difficulty. There was some governmental support, without which things would have been completely impossible, but community groups and extended family were the main emotional / psychological motivators that finally got things going again.”

I lost my job and was then diagnosed with depression, had to go on a benefit once savings had been used up but since being on a benefit things have significantly gotten worse because although I had a lot of debt and was managing while in paid employment unfortunately WINZ did not recognise my debt or take it into consideration therefore making it extremely difficult to survive and meet day to day costs to the point where I am now leaving the country.”

“I am permanently on an invalids benefit due to disability. Minimum wage is \$13.50 per hour. Average an invalids benefit over 40 hours and all I get is \$5.85. How do you think I cope? I would love to work and would be rich on the minimum wage. Being a beneficiary makes me very very poor and it is hard to cope. I am getting good at doing without but there is no way I can make any headway.”

“At the time, my husband was the main earner. He was diagnosed with pancreatic cancer, and died within 6 weeks. I was fortunate to be able to take extended unpaid leave. As he was collecting National Superannuation, while still working, I was able to also receive payment as a non-eligible partner for the duration of his illness, and for a month after his death. We did have some savings so it was not too much of a financial struggle.”

“Didn't cope. Lost rental accommodation. Chased by debt collectors. Treated badly by banks and financial services. Treated offensively by WINZ.”

“Family and the community rallied and we got through with regional nurses visiting and considerate doctoring. Our other earner worked weekends and we sold our house.”

“Fortunately I was able to get a WINZ Benefit which helps me to meet my living costs; plus my family were helpful in other ways. It is financially VERY TIGHT, and only just have enough to cover all costs; but it made me budget well and look closely at what I spent on. I want to make sure this is temporary, not stay in this position, as it's not ideal. I appreciate the help being there, while I've needed it. After my recovery (not complete yet) I plan to get back to providing for myself and standing independently again.”

“Husband had a heart attack after he sold his franchise and he couldn't find work as he was a risk being 50. He had qualifications in the finance sector, tried all sorts of jobs had interviews and was put on short lists but nothing, even was passed over at the Warehouse being he was too qualified. We didn't manage, at all well as I was unable to work due to a health condition and to look after our daughter who developed anorexia and was hospitalised on and off, our home was sold at mortgagee sale, with a balance still owing of \$200,000.00 luckily to a family member in the hope that we could buy it back. My husband was declared bankrupt August this year. We received the benefit and it was a privilege to have at least that, but was not enough to cover accommodation costs. My husband sold his franchise for a third of what he'd paid for it.”

“I had to grovel for WINZ to even consider that I needed to go on the Invalids Benefit, having worked hard up until I couldn't any more. I had to apply for food parcels; I had to get part time work so that I could run a vehicle (petrol rego. etc). I think what got us by was that my parents and grandparents went through the depression and we were taught skills on how to survive and so we did, have, and still are!”

“I have been diagnosed with progressive multiple sclerosis. I had to permanently give up work. My whole household was thrown into turmoil. Had to shift houses and change complete lifestyle.”

“I managed on the sickness benefit. It was hard - you have to live very plainly.”

“I went to see if a benefit could cover him and they said “No” - I was earning too much (6 or 7yrs ago I was a part time care giver, wages had been frozen). My wages would not have covered our then mortgage. So told them how disgusted I was and went and got extra work caregiving. We got through as his firm helped cover and they let him pay back any hours that went over his holidays, sickness and long term days that were owed.”

“It was absolutely horrible relying on saved money and not having money to do just little things and then losing all the money we saved for retirement in a flash as both of us have health problems that we can’t get insurance for. It’s really tough so we know we must save so we don’t leave the children in financial difficulties when we die”

“Every 3 months we go cap in hand to ask to be given enough to keep our home, we have put it on the market but as things are it’s not selling anyway. Life as a beneficiary and sick is terrible, you have to provide many doctors’ notes etc but have to pay for them out of a very very stretched budget. Some days we hardly eat and we have to decide which one of us can go to the doctor (can’t afford both) and can’t get dentist work done. Car repairs are another begging at WINZ (even though we know we are allowed to get an advance) they make you feel at fault for not "saving" for emergencies, on money they don’t give you.”

“It was very difficult but as we are beef/dairy grazer farming (my husband’s farm) we were not affected financially but mega mega affected time/stress wise as we could not afford help for my husband either on the farm or in the house. As I usually work fulltime (unpaid) on the farm and doing the accounts, all my duties were only carried out on an urgent basis and my husband had to take the same line with his work all the while caring for me (we do not have family or friends nearby).”

“Terribly hard. An earlier serious illness (cancer) had taken me out of the work force for over 6 months, after that I abandoned the work I loved for higher paid work to provide a cushion for future health incidents. Fortunate to have the qualifications and skills to do that, especially as I am uninsurable (genetics + cancer history). I used up the credit on my revolving mortgage for our household to survive. Also returned to work early. Couldn’t do physical rehab needed. Subsequently had major anxiety episodes in delayed reaction to the trauma for which I needed professional help and medication. It’s not easy.”

“With ACC you are entitled to 80% of wages, with sickness you are not. It rapidly chewed through all savings, and W&I was neither helpful nor cared. Just became a 2nd rate citizen. It opened my eyes to how unjust it was, and if had been longer than 3 months, I would be now likely jobless, moneyless, and living off the tax payer at a greater cost than the short term requirement I had.”

“We (thankfully) had private medical insurance and income protection so although our overall household income was compromised it was manageable and effect on financial wellbeing not too severe. We relied heavily on practical extended family support for person experiencing the serious illness, so other income earner still working could continue to do so. We didn't investigate/access as many public health services/support facilities as we probably could have.”

3. Impact of serious illness on individual and household

In assessing the impact of a serious illness event on households, respondents were asked three questions:

- Their ability to continue to pay all their current household expenses and maintain their standard of living
- Their ability to continue to pay all their current household expenses and maintain their standard of living
- To describe what they believed would happen to their household/family and life if they or the main earner in their household became seriously ill and was unable to work.

It was evident from the responses that an overall third of households would not be able to pay their bills within 2 weeks of any sick leave and annual leave entitlement running out and more than half would be in that situation within four weeks of sick leave and annual leave entitlements running out.

3.1 Background: Annual leave and sick leave entitlement

As background to the analysis of this section, the following table shows an analysis of employed respondents' annual leave and sick leave entitlements.

45% of working respondents had 4 weeks' annual leave entitlement. 10% had 5 weeks: these people are primarily Business managers/Executives and Professionals/Senior Government Officials. 29% had no set entitlement: these respondents are primarily self-employed people and farm owners/managers.

The table shows annual leave and sick leave entitlements and the average numbers of weeks before entitlements run out (assuming full entitlements are available at any given time). This information can be used to add to the information on ability to pay household expenses and mortgage/rent.

Current annual paid sick leave entitlement	Total	Current annual leave entitlement					
		4 weeks	5 weeks	6 weeks	More than 6 weeks	No set entitlement	Not sure
5 days	36.4%	64.3%	24.6%	24.4%	15.0%	8.0%	15.6%
10 days	17.3%	21.6%	51.4%	36.6%	41.3%	1.2%	4.5%
3 weeks	1.5%	2.2%	1.8%	5.5%	6.9%	0.0%	0.0%
4 weeks	1.1%	0.9%	2.2%	14.0%	3.9%	0.0%	0.0%
Up to 3 months	0.3%	0.0%	1.3%	0.0%	0.6%	0.0%	0.0%
Up to 6 months	0.1%	0.0%	0.7%	0.7%	0.8%	0.0%	0.0%
Up to 1 year	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
H. More than 1 year	0.4%	0.0%	2.7%	0.0%	2.7%	0.0%	0.6%
No set entitlement	28.5%	3.8%	9.0%	6.4%	8.2%	87.2%	1.2%
Not sure	14.4%	6.7%	5.7%	11.4%	19.8%	3.3%	78.1%

% with Annual leave entitlement level	45.0%	9.5%	2.3%	2.5%	29.1%	11.7%
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Avg no weeks until leave plus sick pay runs out	5.3	8.1	6.3	8.6	5.1	7.0
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N (unweighted)	2396	1044	290	63	100	741	162
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3.2 Ability to pay current household expenses

According to respondents, an overall average of 20% of households would be able to cope for more than 12 months with paying their household expenses and maintaining their lifestyle if a serious illness event that resulted in the primary income earner being unable to work.

However, 20% of households would only be able to continue for 1 week once sick leave and annual leave ran out and another 14% for 2 weeks. From respondents' figures, by 4 weeks after sick leave and annual leave ran out, 55% of households would be unable to pay all their expenses and maintain their lifestyle.

3.3 Ability to pay mortgage or rent

With the ability to pay mortgage or rent, the overall results are similar to paying for household expenses, but analysing by whether respondents are paying a mortgage or paying rent shows a more difficult position for those households.

Once sick leave and annual leave ran out for a primary income earner who was unable to work, among those households that are renting:

- 28% could only pay their rent for one week.
- By the end of two weeks, 43% in total would be unable to continue to pay their rent.
- In total, 53% would be unable to continue to pay their rent by the end of 3 weeks

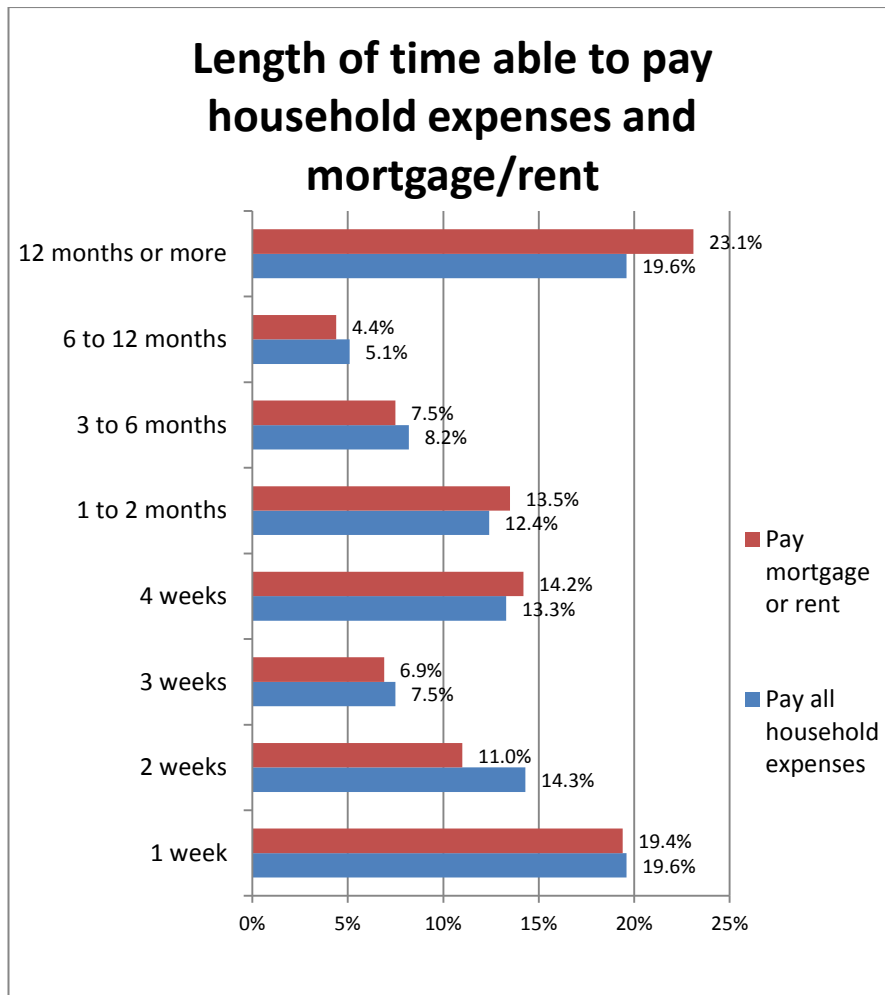
People who are renting are more likely to have 4 weeks' annual leave and 5 days' (1 working week) sick leave per annum. This implies that in 53% of cases, their households would be unable to pay their rent 8 weeks after the beginning of a serious illness event.

Evaluating the data in the same way among households which are paying a mortgage:

- 19% could only pay their mortgage for one week.
- By the end of two weeks, 30% in total would be unable to continue to pay their mortgage.
- In total, 50% would be unable to continue to pay their mortgage by the end of four weeks

People who are paying a mortgage are also more likely to have 4 weeks' annual leave but are more likely to have an average of 7 days sick leave per annum and (1.4 working weeks) sick leave per annum. This implies that in 50% of cases, their households would be unable to pay their mortgage 9.4 weeks after the beginning of a serious illness event.

The following chart illustrates the time period ,after sick leave and annual leave ran out for their primary income earner if they were unable to work, for which households would be able to pay their expenses and mortgage/rent:



3.4 Effect on household

Respondents were asked to describe what they believed would happen to their household/family and life if they or the main earner in their household became seriously ill tomorrow and was unable to work for three months or more.

There were a large number of comments indicating that this situation would be a “financial disaster” for many households. Many comments indicated selling assets. Overall, the impression given is of most households having little or no reserves and finding it very difficult to cope.

A sample of comments follows:

“For 3 months, we could survive as we are, after that...Live off savings, look longer term at selling property and moving to cheap rental.”

“My husband was not entitled to any benefit when diagnosed with terminal Cancer Sept 2011. He died May 2012 with no income as I was over the threshold. He had paid taxes

and worked for 49 years with one six-month period on the unemployment benefit. If I become seriously ill I would probably have to sell my house and rent. I cannot afford income protection or health insurance."

"We would continue to live adequately as we have for many many years planned for any untoward happenings in our family."

"3 months, no problem. More than 3 would get harder. Much would depend upon when an expected recovery would take place. Most likely would leave NZ after a year."

"All of our house deposit savings will be gone and then we would most likely have to leave the city (Wellington) and move home, therefore neither of us having income/jobs."

"As a family we would have to readdress our standard of living & would have to make a lot of cut backs. I may need to ask for financial assistance from family/parents. May look at selling some assets e.g. house, car etc if things get desperate. I have no doubt that this would be an extremely difficult time financially, mentally, socially for us as a family & we would struggle to make ends meet as things are tough enough these days even on our current income, so to think of this scenario is quite scary."

"As long as the other was still able to work, we would manage. If it was me, my partner's income can sustain us. If it was her, I might have to put more focus on my consulting work or seek an additional directorship to help make ends meet. If the situation meant that neither of us was able to work, life would become very difficult quite quickly."

"As my husband is the main income earner and is self-employed, we would not have any income coming in at all if he was not able to work and would therefore not be able to pay our mortgage and other general living expenses such as power, phone, rates, water etc. We do not currently have any extra savings put aside, other than a smallish amount in Kiwi Saver which we have only had going for about 3 or 4 years!"

"Close to losing everything. It is almost impossible to save these days as wages have not kept up with all the increase charges on nearly every day to day item needed to feed your family, run your household, run your car, pay the school fees and all other costs incurred during the year. It is close to seeing at least one big increase per day."

"Complete poverty."

"Eventually we would not be able to live the way we do. We would have to spend only on essentials, protect our essential assets sell the rest. Fortunately both my wife and I enjoy reasonable incomes and we could live on one income but would have to make changes to how we spend."

“We have income protection insurance on both household earners. It's a comprehensive policy that provides for a very short stand down and a high percentage”

“We would be able to hold out for 6 months. If I knew that the illness was to continue, I would put the house on the market.”

“Sell the house and move into something smaller, sell one of the cars, eat less.”

“We would be destitute. Possibly have to move in with family and apply for emergency housing.”

4. Additional income needed to maintain standard of living

All respondents were asked how much additional income (*take home pay*) they thought their household/family would need per week to maintain their current standard of living if the main income earner in your household became seriously ill tomorrow and was unable to work for three months or more.

The overall average amount households would need was \$652 per week, but there is variation in the level of additional income required, particularly with current income levels, age, property ownership and household status. Averages calculated from respondents responses showed that, in general:

- People earning \$50,001 to \$100,000 required 43% more additional income than people earning up to \$50,000.
- People up to 44 years of age required 48% more additional income than people 45 and over.
- People with a mortgage required 47% more additional income than people who rent.
- Households with children required 37% more additional income than households without children.

The maximum amount available from a government sickness benefit depends on a raft of circumstances including the income of other earners in the household, but is significantly lower than the minimum which respondents believe is necessary to maintain their standard of living. For example:

Household	Avg \$ required	WINZ \$	Gap
Single person household	\$465	\$205	\$260
Couple only (no children/none at home) - one entitlement only	\$588	\$171	\$417
One parent family, one or two children at home	\$683	\$293	\$390
Two parent family, three or more children at home - one entitlement only	\$880	\$171	\$709

Every household where serious illness to the primary income earner occurs and where it is necessary for that person to receive a benefit is therefore likely to find that the income available is insufficient to maintain the household lifestyle.

The average amount required per week, profiled by gender, age, and household income, employment status of respondent, household status, ethnicity and property ownership follows:

Gender

Female	\$641
Male	\$670

Age

Under 18 years	\$1,100
18-24 years	\$728
25-34 years	\$709
35-44 years	\$754
45-54 years	\$674
55-64 years	\$526
65-74 years	\$419
75 years or over	\$359

Household Income

Less than \$20,000 per year	\$341
Between \$20,001 and \$30,000 per year	\$437
Between \$30,001 and \$50,000 per year	\$505
Between \$50,001 and \$70,000 per year	\$736
Between \$70,001 and \$100,000 per year	\$729
Between \$100,001 and \$150,000 per year	\$939
Between \$150,001 and \$200,000 per year	\$1,114
More than \$200,000 per year	\$1,279
Don't know/ prefer not to say	\$848

Employed

No	\$532
Yes	\$727

Occupation

Business Manager/Executive	\$1,011
Business Proprietor/Self-employed	\$662
Clerical/Sales Employee	\$707
Farm Owner/manager	\$388
Labourer/Agricultural or Domestic Worker	\$630
Professional/Senior Government Official	\$957
Teacher/Nurse/Police or other trained service worker	\$727

Technical/mechanical/Skilled Worker	\$679
Home-maker (not otherwise employed)	\$591
Student	\$715
Retired/Superannuitant	\$404
Unemployed/Beneficiary	\$403
Don't know/prefer not to say	\$642

Household Status

Couple only (no children/none at home)	\$588
Extended family	\$614
Flatting or boarding - not a family home	\$555
One parent family, one or two children at home	\$683
One parent family, three or more children at home	\$605
Single person household	\$465
Two parent family, one or two children at home	\$776
Two parent family, three or more children at home	\$880
Prefer not to say	\$524

Ethnicity

Maori	\$557
NZ European/Pakeha	\$625
Pacific Islander	\$751
Asian	\$753
Indian	\$695

Property Ownership

I own the property I live in outright, without a mortgage	\$427
I own the property I live in, with a mortgage	\$698
I rent the property I live in	\$475
I do not own the property I live in, but I do not pay rent nor pay a mortgage	\$563

5. Income protection insurance

Overall, 15% of respondents said that they had income protection insurance. Profiling the people who do not have it indicates that they are more likely to be:

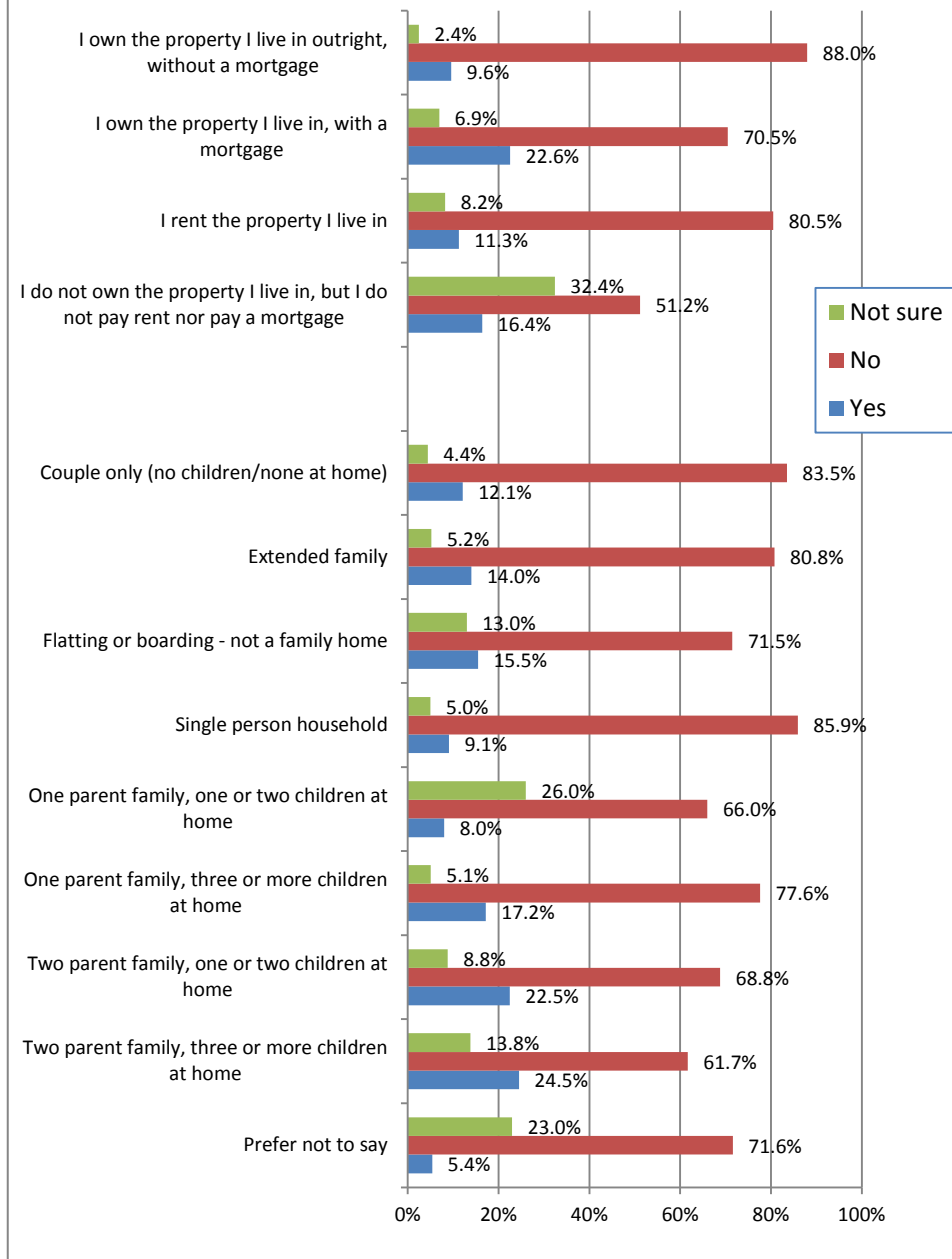
- 55 years of age or more.
- Personally earning less than \$30,000 per annum and with household income of less than \$50,000 per annum.
- In households without children (couple only or single person) or in an extended family situation.
- In households with a mortgage.

As a comparison with the numbers of households calculated in Section 1 as potentially being affected by serious illness in a 12 month period, and based on the data from this survey and using Statistics NZ estimates of the number of households at 30 September 2012:

- 972,700 households with an annual household income greater than \$20,000 do not have income protection insurance
- 13,030 of those households will experience an illness event each year where the main earner is unable to work for 3 months to 6 months. As a comparison, 10,300 of those households will have the main earner experience an accident resulting in them being unable to work for 3 months to 6 months.
- 14,980 of those households will experience an illness event each year where the main earner is unable to work for 6 months or more. As a comparison, 5,800 of those households will have the main earner experience an accident resulting in them being unable to work for more than 6 months.

The following chart shows the relative percentages of those who do and do not have income protection insurance, by property ownership and household type

Have income protection insurance by property ownership and household type



APPENDIX 1 – SAMPLE

Sample

3,234 respondents who are members of the Horizon Research HorizonPoll panel, representing the 18+ population nationwide at the 2006 census, responded to the survey between 21 September 2012 and 09 October 2012.

The sample is weighted on age, gender, ethnicity, personal income, education level and party vote in the 2011 general election, and has a maximum margin of error at a 95% confidence level of $\pm 1.8\%$ overall.

Household Statistics

Calculations of numbers of households in this report are based on Statistics NZ's "Private Dwelling Estimates by Tenure" as at 30 September 2012:

	Total Private Dwellings	Owner Occupied	Rented	Provided Free
Households at 30 September 2012	1,663,400	1,112,200	480,300	71,000

Respondent comments

All comments from respondents are captured as entered by respondents and are available from the Horizon Research system.

Contact

For more information about this survey or additional analysis, please contact Grant McInman on 021 076 2040, email gmcinman@horizonresearch.co.nz.