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How secure is the future of your family or business?

Projecting ourselves into the future to see what's around the next bend is not an easy thing to do

FACTSHEET

Given the current situation during this difficult and unsettling time with coronavirus (COVID-19), it's important to think about how secure the future of your family or business would be in the event that you were no longer around. Understandably, we would rather not dwell on such a scenario, but this crisis has highlighted the importance of protecting the things that really matter – like our loved ones, home, lifestyle and business – in case the unexpected happens.

The outbreak of the coronavirus may mean you have concerns about your life insurance and whether you're covered. If you have life insurance to provide for those left behind, or to cover business loans after your death, it's important to keep paying the premiums, even if you're tempted to put it on hold to cut costs. You could lose your cover and may struggle to find the same level of cover if you start another policy later on.

FULL REPLACEMENT VALUE

For many of us, projecting ourselves into the future to see what's around the next bend is not an easy thing to do. However, without thinking, we insure our cars, homes and even our mobile phones – so it goes without saying that you should also be insured for your full replacement value to ensure that your loved ones and business are financially catered for in the event of your unexpected death. Making sure that you have the correct type and level of life insurance in place will help you to financially protect them.

Life insurance provides a safety net. Ultimately, it offers reassurance that your family and business would be protected financially should the worst happen. We never know what life has in store for us, as we've seen in recent weeks with the outbreak of COVID-19, so it's important to get the right life insurance policy. A good place to start is to ask yourself three questions: What do I need to protect? How much cover do I need? How long will I need the cover for?

ASK YOURSELF

- Who are your financial dependents – your husband or wife, registered civil partner, children, brother, sister or parents?
- What kind of financial support does your family have now?
- What kind financial support will your family need in the future?
- What kind of costs will need to be covered, such as household bills, living expenses, mortgage payments, educational costs, debts or loans, or funeral costs?
- What amount of outstanding business loans do I have now?

FINANCIAL SAFETY NET

It may be the case that not everyone needs life insurance. However, if your spouse and children, partner, other relatives or business depend on you to cover the mortgage, other living and lifestyle expenses, or business loans, then it will be something you should consider. Putting in place the correct level of life insurance will make sure they're taken care of financially.

That's why obtaining the right professional financial advice and knowing which products to choose – including the most suitable sum assured, premium, terms and payment provisions – is essential.

NO ONE-SIZE-FITS-ALL SOLUTION

There is no one-size-fits-all solution, and the amount of cover – as well as how long it lasts for – will vary from person to person. Even if you consider that currently you have sufficient life insurance, you may need more later on if your circumstances change. If you don't update your policy as key events happen throughout your life, you may risk being seriously under-insured.

As you reach different stages in your life, the need for protection will inevitably change. How much life insurance you need really depends on your circumstances – for example, whether you have a mortgage, you're single or have children, or you have business loans that you are liable to pay. ■

DON'T LEAVE IT TO CHANCE

Since the outbreak of COVID-19, some insurers are restricting cover for new applicants and have introduced new questions to their application forms. This has been done in order to establish and manage the insurance risks it poses. Planning for a time when you're no longer around may seem daunting, but it doesn't have to be. Don't leave it to chance – speak to us for more information.

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