

Jeopardising financial stability

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April 2024



Securing your family's financial future is a multifaceted responsibility beyond merely accumulating savings and making long-term investments. It encompasses the creation of a comprehensive plan that ensures the well-being of your loved ones, even in the face of unexpected adversities.

A recent report has revealed that a significant number of UK residents are ill-prepared to meet their monthly expenditure if they were to become incapacitated due to illness or disability.

An alarming lack of financial safety provisions exists for circumstances such as sickness, accidents or deteriorating health conditions. The study reveals that eight out of ten homeowners servicing a monthly mortgage do not have income protection insurance.

Financial obligations

Furthermore, two-thirds lack cover against critical illnesses, thereby jeopardising their financial stability if a long-term illness prevents them from working. Although the statistics for those who have secured their family homes in case of premature death are somewhat reassuring – with 63% having life cover – it is still concerning that many do not have a policy that would replace their income in case of incapacity due to illness or disability.

Statistically, men are approximately six times more likely, and women 12 times more likely, to be unable to work due to illness than they are to die prematurely. This fact underscores the vital importance of income protection insurance. Such a policy provides the comforting assurance of a replacement income through monthly payouts to cover bills and other lifestyle essentials. But, not only homeowners with financial obligations need to maintain a roof over their heads.

Overlooked or postponed

Tenants, too, must meet their rent payments and can be equally vulnerable without proper insurance cover. Yet, the figures here paint an even more disturbing picture. Less than one-third (29%) of renters have life cover, and a mere 6% have income protection.

Often, the decision to apply for a protection product is spurred by a significant life event like marriage or buying a house. However, as soaring property prices push home purchases later into life, and more individuals opt to cohabit rather than wed, discussions about income protection insurance are being overlooked or postponed.

Beyond just life insurance

Given the number of people in the UK already finding it hard to make ends meet, the prospect of a family member losing their income during a cost of living crisis is daunting. The desire to safeguard oneself and one's family financially against tough times is instinctive, but many families leave themselves financially vulnerable. Raising awareness about the benefits of insurance and its potential to bolster people's financial resilience is crucial.

While it's heartening that many homeowners have life insurance, statistically, it's far more likely that someone will need time off work due to illness or injury during their working life than they are to die prematurely. People must realise the importance of having cover beyond just life insurance.

Becoming increasingly vigilant

Although lenders no longer require life insurance for a mortgage, buying a home remains a significant trigger for purchasing protection insurance. It's a straightforward way to ensure the family home is secured if the primary income earner dies, but we must consider risks beyond just premature death.

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As the cost of living continues, families across the UK are becoming increasingly vigilant about their expenses. The need to safeguard their monthly bills is more pressing than ever. Many individuals' greatest sense of security comes from having their income and expenses covered. This comfort often outweighs the reassurance provided by life or mortgage cover. Some people require their entire mortgage amount to be insured, while others want to ensure their monthly rent and essential bills are taken care of.

Many potential life events

Critical illness and income protection have become invaluable in an era where many employers fall short of providing adequate sick pay for extended periods of absence from work. These forms of insurance give individuals and families the peace of mind that they can meet their financial obligations even when health issues arise.

Seeking professional financial advice can help individuals tailor their insurance coverage to meet their unique needs. This approach allows families to establish protection that delivers reassurance and safeguards against many potential life events.

Stress management and recovery

Protection insurance isn't just about covering your mortgage. It's about ensuring that your lifestyle and financial commitments are secure, regardless of what life throws at you. From everyday bills to essential living costs, comprehensive protection can make a significant difference during ill health or injury.

Knowing that your bills can still be paid, even in the face of serious illness or injury, provides an immeasurable sense of relief. It's not just about the financial aspect; it's the peace of mind of knowing you're protected during challenging times. This peace of mind can significantly aid stress management and recovery.

Reviewing protection policies

As household priorities shift over the years, reviewing protection policies to see if they can better

support any life events or job changes is essential. Any changes to work, family planning or relationship status could mean that an existing income protection plan may no longer be fit for purpose.

Many people would not think of this despite being at risk of losing their home if they experienced a financial shock.

How can you secure your and your family's financial future?

Please do not hesitate to contact us if you require further information or wish to discuss your protection needs in more detail. Don't leave things to chance. Let us help you secure your financial future.

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