SP Financial Management
Planning for your future

Chartered Financial Planners

MONEYMATTERS

GUIDE TO

FINANCIAL PROTECTION

Preparing for the unexpected

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GUIDE TO FINANCIAL PROTECTION

Preparing for the unexpected

WELCOME

Welcome to our *'Guide to Financial Protection'*. Change is inevitable. It's just a part of life. Some changes you can predict, while others you simply cannot. But that doesn't mean you can't have a plan in place to help mitigate the impacts and protect your wealth should something change in your life, like your career, your health or even your family situation.

Fortunately, there are many wealth protection strategies you can use to protect your nest egg. These strategies can help you gain peace of mind knowing that you've taken the necessary steps to secure your financial future, alleviate any unnecessary financial stress on your family and ensure the full value of your assets are protected for future generations.

Protection planning is all about preparing for the unexpected. A thorough protection review can give you peace of mind that following illness, injury or worse, you can still provide for yourself, your family and your business.

To keep your financial future on track, it is important to plan for uncertainties that may derail your plans. Whether you have earned your wealth, inherited it or made shrewd investments, you will want to ensure that as much as possible is enjoyed by you, your family and your intended beneficiaries. ●

Are you safeguarding the people and things that matter most?

As part of our financial planning process, we will help you plan how best to protect your wealth and assets. If you have any concerns, or to review your current situation, please contact us – don't leave it to chance.

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FINANCIAL RESILIENCE

Protecting what is important to you

THERE ARE VARIOUS COMPLEX RISKS IN LIFE THAT WE ALL FACE, SUCH AS SERIOUS ILLNESS, AN ACCIDENT OR DEATH. WHAT WOULD HAPPEN IF SOMETHING WERE TO HAPPEN TO YOU?

When it comes to our money and our plans, it can be hard to balance short-term wants, long-term dreams and those unexpected events that are out of our control.

But considering 'what if' is a vital part of financial planning, to ensure financial security and protection against unforeseen life-changing circumstances or events. You never know what the future may hold – so it helps to be prepared for the unexpected.

UNEXPECTED EVENT

There are various complex risks in life that we all face, such as serious illness, an accident or death. What would happen if something were to happen to you? Would your family be able to cope financially with the impact an unexpected event might have?

These are not easy questions to ask but it is important to consider what would happen if an unexpected event or accident took place, and how you could protect your family from the financial effects of serious illness or death.

LIFE PROTECTION

It's easy to underestimate our own value. We insure our homes, cars, valuables and pets, but often we forget about life protection and insuring our income that provides for all of the above.

Have you ever thought about how quickly your life and circumstances can change? One of the many things the past few years has highlighted is that the unexpected can happen at any time, to anyone, and that it's really important to have a financial safety net and financial resilience in place just in case.

FINANCIAL SUPPORT

Despite the COVID-19 pandemic triggering more people to think about their own mortality, there are still 32.9 million (63%) people who have never thought about or do not have an active life insurance policy in place[1]. This means that should they die or fall seriously ill, their family and loved ones will receive no financial support.

Research also highlighted that the pandemic increased demand for income protection (39%) and critical illness cover (36%)[2].

OUTSIDE INFLUENCES

But financial protection – be it life cover, critical illness cover or income protection – is often overlooked. Even the best-laid plans can go off course and many outside influences could affect your financial situation. Protection can act as a capital injection at times when you need it most.

You should consider the financial implications for your family if you were to die or suffer a serious illness, especially if you are the breadwinner. Deciding what your priorities are and understanding what options you have are key parts of the protection planning process. This will help you ensure you have the financial protection most suitable for your circumstances. ●

Source data:

*[1] Research among 2,002 UK adults conducted by Opinium Research between 9–12 March 2021. Grossed up figures were derived by dividing those that gave this option by the total sample size, then multiplying by the UK adult population: 220 UK adults have taken out or thought about life insurance since March last year / 2,002 (total sample) * 52,673,000 (UK adult population) = 5.8 million. 1,251 UK adults have not taken out or thought about life insurance / 2,002 (total sample) * 52,673,000 (UK adult population) = 32.9 million.*

[2] Zurich UK online survey (15 October – 22 December 2020)

LIFE INSURANCE

Supporting your loved ones financially

Planning is not just about growing wealth, it is also about making sure your loved ones are looked after and protected. Nobody likes to think of the worst, but we can help plan for the future so that, should anything happen to you, your loved ones are protected.

Getting the right life insurance policy means working out how much money you need to minimise the financial impact that your death could have on your family. This sum must take into account their living costs, as well as any outstanding debts such as a mortgage.

It may be the case that not everyone needs life insurance (also known as 'life cover' and 'death cover'). But if your spouse and children, partner or other relatives depend on your income to cover the mortgage or other living expenses, then the answer is 'yes'.

Life insurance makes sure they're taken care of financially if you die. So whether you're looking to provide a financial safety net for your loved ones, moving house or a first-time buyer looking to arrange your mortgage life insurance – or simply wanting to add some cover to what you've already got – you'll want to make sure you choose the right type of cover.

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

PROTECTED FINANCIALLY

We insure our cars, our homes and even our mobile phones – so it goes without saying that we should also be insured for our full replacement value to ensure that our loved ones are financially catered for in the event of our premature death.

Life Insurance will help you to financially protect your family. It could pay out a cash sum if you die while covered by the policy. You choose the amount of life cover you need and how long you need it for and you can pay your premiums monthly or annually.

It provides a safety net for your family and loved ones if you die, helping them cope financially during an otherwise difficult time. Ultimately, it offers reassurance that your family would be protected financially should the worst happen.

We never know what life has in store for us, so it's important to get the right life insurance policy. A good place to start is asking yourself three questions: What do I need to protect? How much cover do I need? How long will I need cover for? This sum must take into account your family's living costs, as well as any outstanding liabilities, such as a mortgage.

PREMATURE DEATH

The appropriate level of life insurance will enable your dependants to cope financially in the event of your premature death. When you take out life insurance, you set the amount you want the policy to pay out should you die – this is called the 'sum assured'. Even if you consider that currently you have sufficient life assurance, you'll probably 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.

DIFFERENT STAGES

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've got a mortgage, you're single or have children. Before you compare life insurance, it's worth bearing in mind that the amount of cover you need will very much depend on your own personal circumstances, such as the needs of your family and dependants.

WHAT DO I NEED TO PROTECT?

- 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, education costs, debts or loans, funeral costs?

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.

These are some events when you should consider reviewing your life insurance requirements:

- Buying your first home with a partner
- Covering loans
- Getting married or entering into a registered civil partnership
- Starting a family
- Becoming a stay-at-home parent
- Having more children
- Moving to a bigger property
- Salary increases
- Changing your job
- Reaching retirement
- Relying on someone else to support you
- Personal guarantee for business loans

INDIVIDUAL LIFESTYLE FACTORS DETERMINE THE COST

The price you pay for a life insurance policy depends on a number of things. These include the amount of money you want to cover and the length of the policy, but also your age, your health, your lifestyle and whether you smoke.

REPLACING AT LEAST SOME OF YOUR INCOME

If you have a spouse, partner or children, you should have sufficient protection to pay off your mortgage and any other liabilities. After that, you may need life insurance to replace at least some of your income. How much money a family needs will vary from household to household so, ultimately, it's up to you to decide how much money you would like to leave your family that would enable them to maintain their current standard of living.

TWO BASIC LIFE INSURANCE TYPES

There are two basic types of life insurance, 'term life' and 'whole-of-life', but within those categories there are different variations.

The cheapest, simplest form of life insurance is term life insurance. It is straightforward protection, there is no investment element and it pays out a lump sum if you die within a specified period. There are several types of term insurance.

The other type of protection available is a whole-of-life insurance policy designed to provide you with cover throughout your entire lifetime. The policy only pays out

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LIFE INSURANCE MAKES SURE THEY’RE TAKEN CARE OF FINANCIALLY IF YOU DIE. SO WHETHER YOU’RE LOOKING TO PROVIDE A FINANCIAL SAFETY NET FOR YOUR LOVED ONES, MOVING HOUSE OR A FIRST-TIME BUYER LOOKING TO ARRANGE YOUR MORTGAGE LIFE INSURANCE – OR SIMPLY WANTING TO ADD SOME COVER TO WHAT YOU’VE ALREADY GOT – YOU'LL WANT TO MAKE SURE YOU CHOOSE THE RIGHT TYPE OF COVER.

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once the policyholder dies, providing the policyholder’s dependants with a lump sum, usually tax-free. Depending on the individual policy, policyholders may have to continue contributing right up until they die, or they may be able to stop paying in once they reach a stated age, even though the cover continues until they die.

REMOVE THE BURDEN OF ANY DEBTS

Generally speaking, the amount of life insurance you may need should provide a lump sum that is sufficient to remove the burden of any debts and, ideally, leave enough over to invest in order to provide an income to support your dependants for the required period of time.

The first consideration is to clarify what you want the life insurance to protect. If you simply want to cover your mortgage, then an amount equal to the outstanding mortgage debt can achieve that.

To prevent your family from being financially disadvantaged by your premature death and to provide enough financial support to maintain their current lifestyle, there are a few more variables you should consider:

- What are your family expenses and how would they change if you died?
- How much would the family expenditure increase on requirements such as childcare if you were to die?
- How much would your family income drop if you were to die?
- How much cover do you receive from your employer or company pension scheme and for how long?
- What existing policies do you have already and how far do they go to meeting your needs?
- How long would your existing savings last?
- What state benefits are there that could provide extra support to meet your family’s needs?
- How would the return of inflation to the economy affect the amount of your cover over time?

Life insurance not only provides peace of mind to you and your loved ones but is an essential part of creating a sound financial plan. ●

DIFFERENT TYPES OF LIFE INSURANCE

When it comes to life insurance, you've got options

The idea behind any type of life insurance is to have the reassurance that you have financial protection in place for you and your loved ones if the worst happens.

It's the knowledge that in the event of a valid claim, a tax-free lump sum would be paid out to provide the financial help, and breathing space, needed during a difficult time.

There is more than one type of life insurance, so how do you know which policy is right for you?

'Single life' policies cover just one person. A 'joint life' policy covers two people and when one person on the policy dies, the money is paid out and the policy ends. You will need to decide whether the joint policy pays out on first or second death, as this will determine when the policy ends.

When choosing between these options think about:

- **Affordability** – a joint life policy is usually more affordable than two separate single policies
- **Cover needs** – do you both have the same life insurance needs, or would separate policies with different levels of cover be more appropriate?
- **Work benefits** – if one of you has work 'death in service' benefit, you might only need one plan
- **Health** – if your joint policy is with someone in poor health, this may increase your monthly payments

TERM LIFE INSURANCE

What would you want your life insurance to cover?

Term life insurance is a type of life cover that lasts for a fixed period of time (known as a 'term') – the payment is made all in one go. This type of cover is useful for providing financial security for dependents.

With a term life insurance policy you choose the amount you want to be insured for and the period for which you want cover. This is the most basic type of life insurance. If you die within the term, the policy pays out to your beneficiaries.

If you don't die during the term, the policy doesn't pay out and the premiums you've paid are not returned to you.

Every family's circumstances are different. It's important to think about how yours would change if you were no longer around, as hard as that may be.

There are two main types of term life insurance to consider – 'level-term' and 'decreasing-term' life insurance.

LEVEL-TERM LIFE INSURANCE POLICIES

A level-term life insurance policy pays out a lump sum if you die within the specified term. The amount you're covered for remains level throughout the term – hence the name. The monthly or annual premiums you pay usually stay the same too.

Level-term policies can be a good option for family protection, where you want to leave a lump sum that your family can invest to live on after you've gone. It can also be a good option if you need a specified amount of cover for a certain length of time, for example, to cover an interest-only mortgage that's not covered by an endowment policy.

DECREASING-TERM LIFE INSURANCE POLICIES

With a decreasing-term policy, the amount you're covered for decreases over the term of the policy. These policies are often used to cover a debt that reduces over time, such as a repayment mortgage.

Premiums are usually cheaper than for level-term cover as the amount insured reduces as time goes on. Decreasing-term assurance policies can also be used for Inheritance Tax planning purposes.

FAMILY INCOME BENEFIT POLICIES

Family income benefit life assurance is a type of decreasing term policy. Instead of a lump sum, though, it pays out a regular income to your beneficiaries until the policy's expiry date if you die.

You can arrange for the same amount as your take-home income to be paid out to your family if you die.

INCREASING-TERM INSURANCE POLICIES

The premiums and cover will increase during the term of the policy. This can be used to keep in line with inflation or to cover an increasing debt.

You may wish to opt for increasing-term insurance to protect your policy's value against inflation (the rising cost of living) – whether that's to cover a debt repayment or a substantial purchase. ●

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WITH A TERM LIFE INSURANCE POLICY YOU CHOOSE THE AMOUNT YOU WANT TO BE INSURED FOR AND THE PERIOD FOR WHICH YOU WANT COVER. THIS IS THE MOST BASIC TYPE OF LIFE INSURANCE. IF YOU DIE WITHIN THE TERM, THE POLICY PAYS OUT TO YOUR BENEFICIARIES.

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WHOLE-OF-LIFE INSURANCE

Protect your wealth and provide for your family when you die

A whole-of-life insurance policy is designed to give you a specified amount of cover for the whole of your life and pays out when you die, whenever that is. Some insurers will also let you include critical illness cover if you buy life insurance at the same time, as one, integrated policy.

Whole-of-life insurance cover pays a sum of money when you die or, if applicable, when you become terminally ill. Your cover lasts for the rest of your life, or as long as you want it.

You should consider whole-of-life insurance if you're thinking about leaving a legacy for your family, Inheritance Tax provision or protecting your business after you're gone.

Because it's guaranteed that you'll die at some point (and therefore that the policy will have to pay out), these policies are more expensive than term insurance policies, which only pay out if you die within a certain time frame.

PAYING INHERITANCE TAX

Whole-of-life insurance policies can be a useful way to cover a future Inheritance Tax bill. If you think your estate will have to pay Inheritance Tax when you die, you could set up a whole-of-life insurance policy to cover the tax due, meaning that more is passed to your beneficiaries.

To ensure the proceeds of the life insurance policy are not included in your estate, though, it is vital that the policy be written in an appropriate trust. This is a very complicated area of estate planning and you should obtain professional financial advice.

A whole-of-life insurance policy has a double benefit – not only are the proceeds of the policy outside your estate for Inheritance Tax purposes, the premium paid for the policy will reduce the value of your estate while you're alive, further reducing your estate's future Inheritance Tax bill.

DIFFERENT TYPES OF POLICY

There are different types of whole-of-life insurance policy – some offer a set payout from the outset, others are linked to investments and the payout will depend on performance. Investment-linked policies are either unit-linked policies, linked to funds, or with-profits policies, which offer bonuses.

Some whole-of-life policies require that premiums are paid all the way up to your death. Others become paid-up at a certain age and waive premiums from that point onwards.

Whole-of-life policies (but not all) have an investment element and therefore a surrender value. If, however, you cancel the policy and cash it in, you will lose your cover. Where there is an investment element, your premiums are usually reviewed after ten years and then every five years.

Whole-of-life policies are also available without an investment element and with guaranteed or investment-linked premiums from some providers.

REVIEWS

The level of protection selected will normally be guaranteed for the first ten years, at which point it will be reviewed to see how much protection can be provided in the future. If the review shows that the same level of protection can be carried on, it will be guaranteed to the next review date.

If the review reveals that the same level of protection can't continue, you'll have two choices:

- Increase your payments
- Keep your payments the same and reduce your level of protection

MAXIMUM COVER

Maximum cover offers a high initial level of cover for a lower premium, until the first plan review, which is normally after ten years. The low premium is achieved because very little of your premium is kept back for investment, as most of it is used to pay for the life insurance.

After a review you may have to increase your premiums significantly to keep the same level of cover, as this depends on how well the cash in the investment reserve (underlying fund) has performed.

STANDARD COVER

This cover balances the level of life insurance with adequate investment to support the policy in later years. This maintains the original premium throughout the life of the policy. However, it relies on the value of units invested in the underlying fund growing at a certain level each year. Increased charges or poor performance of the fund could mean you'll have to increase your monthly premium to keep the same level of cover. ●

LIFE INSURANCE

COVID-19: What you need to know

The coronavirus (COVID-19) pandemic has led to concerns and questions about how best to protect our loved ones in times like this.

If you or a loved one has to make a claim on a life insurance policy as a result of the coronavirus pandemic, it would be handled like any other life insurance claim and be paid subject to the usual policy terms and conditions.

CAN I STILL BUY LIFE INSURANCE?

Many insurers are still accepting life insurance applications and some have now included a coronavirus-related question. There are insurers delaying applications if you are currently testing positive for coronavirus and need to provide medical evidence, but this does not mean you cannot apply again in the future.

WHAT QUESTIONS SHOULD I EXPECT TO BE ASKED ON CORONAVIRUS WHEN APPLYING FOR LIFE INSURANCE?

Life insurance companies have developed specific questions to assess the risk around coronavirus for new applications. This is simply to make sure that they have the full picture when they assess your health and medical circumstances.

Coronavirus questions may include:

- Have you tested positive for coronavirus?
- Are you currently in self-isolation?
- Have you had any symptoms of coronavirus?
- Have you been in direct contact with anyone who has been diagnosed or suspected of having a coronavirus?

If you answer 'yes' to some of these questions, your decision may be delayed until you have recovered. The decisions may vary between insurers.

If you're classed as being high-risk because of your medical condition, for example, if you have severe diabetes, asthma, a heart condition, an auto-immune disease or a number of other conditions, then you won't be classed as 'self-isolating' unless you've got symptoms.

WHAT HAPPENS IF I MISS A PAYMENT? DOES MY LIFE POLICY BECOME NULL AND VOID?

Life insurance policies typically have a period of grace after a non-payment of premiums before they lapse. However, each insurer will have a different rule and you should contact your insurer as soon as possible if you miss a payment.

The reason for a missed payment could also have an impact on how it is treated by an insurer, for example, if you are seriously ill or experiencing financial difficulty.

If you can't make a payment and plan to cancel your direct debit, speak to your professional financial adviser to discuss your options.

WILL SOME COMPANIES ACCEPT A PAYMENT HOLIDAY AND IF SO, UNDER WHAT CONDITIONS?

If you are experiencing financial difficulty, you should contact your insurer or professional financial adviser as soon as possible to discuss the options, such as payment deferrals or holidays.

Circumstances in which a payment holiday is accepted, according to the terms and conditions of a policy, will be down to individual insurers. ●

IF YOU ARE SINGLE WITH NO DEPENDANTS, CRITICAL ILLNESS COVER CAN BE USED TO PAY OFF YOUR MORTGAGE, WHICH MEANS THAT YOU WOULD HAVE FEWER BILLS OR A LUMP SUM TO USE IF YOU BECAME VERY UNWELL.

CRITICAL ILLNESS COVER

Extra protection for you and your loved ones

Critical illness cover can help minimise the financial impact on you and your family if you become critically ill. It's an option that can also be added for an extra cost to some life insurance policies.

If you were diagnosed with a critical illness, would you be able to cope financially? It's easy to think 'I'd cope, that'll never happen to me' but most of us know someone either directly or through friends and family that has been affected.

As we've seen from the coronavirus (COVID-19) pandemic, any of us can become ill at any age. Critical illness cover can help to minimise the financial impact on you and your loved ones.

For example, if you needed to give up work to recover or if you passed away during the length of the policy, the money could be used to help fund the mortgage or rent, everyday bills or even simple things like the weekly food shop – giving you and/or your family some peace of mind when you need it most.

SURVIVING FINANCIAL HARDSHIP

After surviving a critical illness, you may not be able to return to work straight away (or ever), or you may need home modifications or private therapeutic care. It is sad to contemplate a situation where someone survives a serious illness but fails to survive the ensuing financial hardship. Preparing for the worst is not something we want to think about when feeling fit and healthy, but you never know what life is going to throw at you next.

TAX-FREE LUMP SUM

Critical illness cover, either on its own or as part of a life assurance policy, is designed to pay you a tax-free lump sum on the diagnosis of certain specified life-threatening or debilitating (but not necessarily fatal) conditions, such as a heart attack, stroke, certain types/stages of cancer and multiple sclerosis.

COMPREHENSIVE POLICY

A more comprehensive policy will cover many more serious conditions, including loss of sight, permanent loss of hearing and a total and permanent disability that stops you from working. Some policies also provide cover against the loss of limbs. But not all conditions are necessarily covered, which is why you should always obtain professional financial advice.

MUCH-NEEDED FINANCIAL SUPPORT

If you are single with no dependants, critical illness cover can be used to pay off your mortgage, which means that you would have fewer bills or a lump sum to use if you became very unwell. And if you are part of a couple, it can provide much-needed financial support at a time of emotional stress.

EXCLUSIONS AND LIMITATIONS

The illnesses covered are specified in the policy along with any exclusions and limitations, which may differ between insurers. Critical illness policies usually only pay out once, so are not a replacement for income. Some policies offer combined life and critical illness cover. These pay out if you are diagnosed with a critical illness, or you die, whichever happens first.

PRE-EXISTING CONDITIONS

If you already have an existing critical illness policy, you might find that by replacing a policy you would lose some of the benefits if you have developed any illnesses since you took out the first policy. It is important to seek professional financial advice before considering replacing or switching your policy, as pre-existing conditions may not be covered under a new policy.

LIFESTYLE CHANGES

Some policies allow you to increase your cover, particularly after lifestyle changes such as marriage, moving home or having children. If you cannot increase the cover under your existing policy, you could consider taking out a new policy just to 'top up' your existing cover.

DEFINED CONDITIONS

A policy will provide cover only for conditions defined in the policy document. For a condition to be covered, your condition must meet the policy definition exactly. This can mean that some conditions, such as some forms of cancer, won't be covered if deemed insufficiently severe. Similarly, some conditions may not be covered if you suffer from them after reaching a certain age, for example, many policies will not cover Alzheimer's disease if diagnosed after the age of 60.

SURVIVAL PERIOD

Very few policies will pay out as soon as you receive a diagnosis of any of the conditions listed in the policy and most pay out only after a 'survival period', which means that if you die within this period, even if you meet the definition of the critical illness given in the policy, the cover would not pay out.

RANGE OF FACTORS

How much you pay for critical illness cover will depend on a range of factors, including what sort of policy you have chosen, your age, the amount you want the policy to pay out and whether or not you smoke.

Permanent total disability is usually included in the policy. Some insurers define 'permanent total disability' as being unable to work as you normally would as a result of sickness, while others see it as being unable to independently perform three or more 'Activities of Daily Living' as a result of sickness or accident.

Activities of Daily Living include:

- Bathing
- Dressing and undressing
- Eating
- Transferring from bed to chair and back again

MAKE SURE YOU'RE FULLY COVERED

The good news is that medical advances mean more people than ever are surviving conditions that might have killed earlier generations. Critical illness cover can provide cash to allow you to pursue a less stressful lifestyle while you recover from illness, or you can use it for any other purpose. Don't leave it to chance – make sure you're fully covered. ●

CRITICAL ILLNESS COVER

COVID-19: What you need to know

Critical illness insurance offers you and your loved ones financial support should you unexpectedly fall ill with a specified illness.

Critical illnesses are identified under a specific set of criteria and coronavirus (COVID-19) is not a specified critical illness under the Association of British Insurers (ABI) 'Guide to Minimum Standards for Critical Illness Cover'.

In the unfortunate event that you were to develop a critical illness that is addressed in the ABI 'Guide to Minimum Standards for Critical Illness Cover' as a result of coronavirus, the majority of insurers would be expected to approach this claim in the same way as they would usually.

Most people will still be able to get critical illness insurance at this difficult time. In a minority of cases, such as if you are experiencing coronavirus symptoms or have tested positive for coronavirus and are still experiencing symptoms, there could be a delay to the decision as some insurers have temporarily postponed new applications until you have tested negatively.

In the instance where your application is delayed, insurers are working with professional financial advisers to enable an efficient re-application once there is less strain on the healthcare services. The delay will not impact your ability to apply for insurance in the future.

Many insurers are working to explore other ways to accept applications that require medical evidence in this new environment. This could include offering virtual medical screening, for example. ●

"CRITICAL ILLNESS INSURANCE OFFERS YOU AND YOUR LOVED ONES FINANCIAL SUPPORT SHOULD YOU UNEXPECTEDLY FALL ILL WITH A SPECIFIED ILLNESS."

INCOME PROTECTION INSURANCE

Having enough to pay for what you need now and in the future

Being unable to work can quickly turn our world upside down, as we've seen for thousands of people during the coronavirus (COVID-19) pandemic crisis. No one likes to think that something bad will happen to them, but if you couldn't work due to a serious illness, how would you manage financially?

Could you survive on savings or sick pay from work? If not, you may need some other way to keep paying the bills – and you might want to consider income protection insurance.

You might think this will not happen to you and of course we hope it doesn't, but it's important to recognise that no one is immune to the risk of illness and accidents. No one can guarantee that they will not be the victim of an unfortunate accident or be diagnosed with a serious illness. The bills won't stop arriving nor the mortgage payments stop being deducted from your bank account, so going without income protection insurance could be tempting fate.

PROVIDING MONTHLY PAYMENTS

Income protection insurance is a long-term insurance policy that provides a monthly payment if you can't work because you're ill or injured, and typically pays out until you can start working again, or until you retire, die or the end of the policy term – whichever is sooner.

Keep your finances healthy as you recover from illness or injury:

- Income protection insurance replaces part of your income if you become ill or disabled
- It pays out until you can start working again, or until you retire, die or the end of the policy term – whichever is sooner
- There's a waiting period before the payments start, so you generally set payments to start after your sick pay ends, or after any other insurance stops covering you. The longer you wait, the lower the monthly payments
- It covers most illnesses that leave you unable to work, either in the short or long term (depending on the type of policy and its definition of incapacity)
- You can claim as many times as you need to while the policy is in force

GENEROUS SICKNESS BENEFITS

Some people receive generous sickness benefits through their workplace and these can extend right up until the date upon which they had intended to retire. However, some employees with long-term health problems could, on the other hand, find themselves having to rely on the state, which is likely to prove hard.

TAX-FREE MONTHLY INCOME

Without a regular income, you may find it a struggle financially, even if you were ill for only a short period, and you could end up using your savings to pay the bills. In the event that you suffered from a serious illness, medical condition or accident, you could even find that you are never able to return to work. Few of us could cope financially if we were off work for more than six to nine months. Income protection insurance provides a tax-free monthly income for as long as required, up to retirement age, should you be unable to work due to long-term sickness or injury.

PROFITING FROM MISFORTUNE

Income protection insurance aims to put you back to the position you were in before you were unable to work. It does not allow you to make a profit out of your misfortune. So the maximum amount of income you can replace through insurance is broadly the after-tax earnings you have lost, less an adjustment for state benefits you can claim. This is typically translated into a percentage of your salary before tax, but the actual amount will depend on the company that provides your cover.

SELF-EMPLOYMENT

If you are self-employed, then no work is also likely to mean no income. However,

depending on what you do, you may have income coming in from earlier work, even if you are ill for several months. The self-employed can take out individual policies rather than business ones, but you need to ascertain on what basis the insurer will pay out. A typical basis for payment is your pre-tax share of the gross profit, after deduction of trading expenses, in the 12 months immediately prior to the date of your incapacity. Some policies operate an average over the last three years, as they understand that self-employed people often have a fluctuating income.

COST OF COVER

The cost of your cover will depend on your gender, occupation, age, state of health and whether or not you smoke. The 'occupation class' is used by insurers to decide whether a policyholder is able to return to work. If a policy will pay out only if a policyholder is unable to work in 'any occupation', it might not pay benefits for long – or indeed at all. The most comprehensive definitions are 'Own Occupation' or 'Suited Occupation'. 'Own Occupation' means you can make a claim if you are unable to perform your own job; however, being covered under 'Any Occupation' means that you have to be unable to perform any job, with equivalent earnings to the job you were doing before not taken into account.

You can also usually choose for your cover to remain the same (level cover) or increase in line with inflation (inflation-linked cover):

- **Level cover** – with this cover, if you made a claim the monthly income would be fixed at the start of your plan and does not change in the future. You should remember that this means, if inflation eventually starts to rise, that the buying power of your monthly income payments may be reduced over time.
- **Inflation-linked cover** – with this cover, if you made a claim the monthly income would go up in line with the Retail Prices Index (RPI).

When you take out cover, you usually have the choice of:

- **Guaranteed premiums** – the premiums remain the same all the way throughout the term of your plan. If you have chosen inflation-linked cover, your premiums and cover will automatically go up each year in line with RPI.
- **Reviewable premiums** – this means the premiums you pay can increase or decrease in the future. The premiums will not typically increase or decrease for the first five years of your plan but they may do so at any time after that. If your premiums do go up, or down, they will not change again for the next 12 months.

MAKING A CLAIM

How long you have to wait after making a claim will depend on the waiting period. The longer the waiting period you choose, the lower the premium for your cover will be, but you'll have to wait longer after you become unable to work before the payments from the policy are paid to you. Premiums must be paid for the entire term of the plan, including the waiting period.

INNOVATIVE NEW PRODUCTS

Depending on your circumstances, it is possible that the payments from the plan may affect any state benefits due to you. This will depend on your individual situation and what state benefits you are claiming or intending to claim. This market is subject to constant change in terms of the innovative new products that are being launched. If you are unsure whether any state benefits you are receiving will be affected, you should seek professional financial advice. ●

INCOME PROTECTION INSURANCE

COVID-19: What you need to know

Since the onset of the coronavirus (COVID-19) pandemic, more people have become aware of the importance income protection insurance can offer, as it can provide the financial support needed if you're unable to work due to an accident or injury.

While it's still possible to get this cover, some insurers have adjusted their application processes and introduced new questions around COVID-19.

Insurers will want to know if you have the virus or are experiencing symptoms of it. They may also want to know if you've recently been in contact with someone who has the virus or have been advised to self-isolate.

Income protection insurance policies are unlikely to cover people self-isolating as they probably won't be off work longer than the waiting period and may not be too ill to work.

Insurers will pay out under the terms of their contracts, but you should be clear on the terms of their coverage. Self-isolation is unlikely to be covered for income protection policyholders unless you have experienced loss of income if you are out of work because you are ill.

For claims to be paid, you will be required to meet the definition of incapacity. Policies will vary and it is important to check with your professional financial adviser. Self-isolation which is not medically advised is unlikely to be covered unless symptoms are severe and continue beyond the waiting period. You can still put in place income protection insurance. Insurers are trying to make decisions to support new clients as quickly and as fairly as possible.

In some cases, insurers may have to request medical evidence from a GP, consultant or an independent medical examiner before offering cover. With these cases, there could be a delay to the decision as some insurers have temporarily postponed new applications where medical evidence is needed to avoid putting further strain on the NHS.

Where appropriate, insurers are continuing to explore alternative approaches to these complex cases to avoid unnecessary delays to new applications.

You can still claim on an income protection insurance policy if you've been furloughed. But it's definitely worth checking your specific insurance policy wording, or contacting your professional financial adviser, because insurers are taking different approaches.

Insurers are also exploring other ways to accept applications that require medical evidence in this new environment. ●

PRIVATE MEDICAL INSURANCE

Keeping your health on track

When life throws you an unexpected challenge, fast diagnosis and treatment are what matter most, along with genuine help, support and understanding. Nothing is more important to you than your health, and the health of your family.

If you or your loved ones were to experience worrying symptoms, private medical insurance can offer reassurance and control at a difficult time.

Many private medical facilities are now accepting new referrals. However, due to the COVID-19 pandemic, there may still be some disruptions to when and where private services are delivered.

Private medical insurance, often also referred to as health insurance, gives you access to private healthcare for conditions that develop after your policy has started. One of the main benefits of private medical insurance is the speed of access to medical treatment.

Even if you have access to free NHS care, private medical insurance can help you feel more in control of when, how and where you're treated. That's faster access to the diagnosis, treatment and aftercare you need, and the comfort of an en-suite room. Think of it as the care you need, without the wait.

CONCENTRATE ON GETTING BETTER SOONER

Diagnosis and treatment can be dealt with almost immediately, reducing the anxiety of the unknown and allowing you to concentrate on getting better sooner. With many health experts predicting that patients are set to experience poorer care and even longer waiting times, many people are turning to private health care for that extra peace of mind.

If you don't already have it as part of your employee benefits package and you can afford to pay the premiums, you might decide it's worth paying extra to have more choice over your care.

CHOICE IN THE LEVEL OF CARE

Most UK residents are entitled to free healthcare from the NHS. One of the main reasons people take out private health insurance is to avoid long NHS waiting times. Health insurance pays all – or some – of your medical bills if you're treated privately. It gives you a choice in the level of care you get and how and when it is provided.

You don't have to take out private medical insurance – but if you don't want to use the NHS, you might find it hard to pay for private treatment without insurance, especially for serious conditions.

It may also be possible, under private medical insurance, to access the latest drugs and treatments licensed by the National Institute of Health and Clinical Excellence (NICE), which aren't routinely available on the NHS (outpatient drugs are not covered).

WHAT DOES IT COVER?

Like all insurance, the cover you receive from private medical insurance depends on the policy you buy. Basic private medical insurance usually covers the costs of most in-patient treatments (tests and surgery) and day-care surgery.

Some policies extend to out-patient treatments (such as specialists and consultants) and might pay you a small fixed amount for each night you spend in an NHS hospital.

You might also be able to choose a policy that covers mental health, depression and sports injuries but these aren't always covered.

Cover usually includes:

- The cost of hospital admission
- Diagnostic tests, such as MRI and CT scans
- Surgery
- The costs of seeing a consultant
- Hospital accommodation and nursing care
- Cancer drugs – some polices will include drugs that are not available on the NHS

Cover may also include:

- Outpatient consultations
- Mental health treatment options
- Complementary therapies
- Physiotherapy and chiropody

There are two main types of private medical insurance policy:
Indemnity policies, which meet the costs of having private medical treatment for an acute illness or injury on a short-term basis. This could include a private room in a hospital, surgeons' and other specialists' fees, outpatient treatment like physiotherapy and daycare treatment

including surgical and diagnostic procedures.

Cash plan policies, which provide a lump-sum benefit payment in certain situations. Generally, the consumer will pay a monthly premium in return for cover for up to 100% of costs for treatment like an inpatient stay in an NHS hospital, or dental or optical treatment. These may not be included under an indemnity policy.

Both indemnity and cash plan policies can have additional benefits. For example:

- Cover for partners and/or children
- One-to-one telephone support for cancer and heart patients
- Patient health checks and helplines
- Access to complementary therapies and psychiatric treatment
- Dental and optical treatment
- Treatment at home for intravenous therapies like chemotherapy

Another variation is a six-week plan, which covers the costs of private medical treatment when NHS waiting times for that treatment are likely to be more than six weeks.

“

IF YOU OR YOUR LOVED ONES WERE TO EXPERIENCE WORRYING SYMPTOMS, PRIVATE MEDICAL INSURANCE CAN OFFER REASSURANCE AND CONTROL AT A DIFFICULT TIME.

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International private medical insurance policies (IPMI) provide medical treatment costs cover to expatriates living overseas.

Main benefits of private medical insurance are:

1. Shorter waiting times for treatment on the NHS
2. Better facilities
3. Faster diagnosis
4. Choose from a range of private facilities
5. Choose a convenient time for appointments and treatments

Whilst the NHS does an amazing job, queues are inevitable for all but the most acute medical emergencies, and private medical insurance policies are often taken to avoid those queues in the future. ●

PRIVATE MEDICAL INSURANCE

COVID-19: What you need to know

Rising NHS waiting lists alongside the relaxation of COVID restrictions could be driving the surging interest in private healthcare[1]. During the course of the pandemic, private hospitals have supported the NHS by providing their facilities to help the national effort to fight the virus.

According to the Association of British Insurers, this meant that many non-urgent treatments for some private medical insurance customers were delayed. With the situation in the UK now stabilising, normal service has started to resume in many private facilities.

People due urgent and time-critical support and care, such as cancer treatment, are being treated as a matter of priority.

Whilst customers had access to urgent and time-critical care, a proportion of customer claims were deferred due to the surge in COVID-19 cases throughout the UK. ●

Source data:

[1] https://www.laingbuissonnews.com/healthcare-markets-content/nhs-waits-and-loosening-of-covid-rules-driving-interest-in-private-options/

LONG-TERM CARE

Face the future with confidence

As we get older, many of us will need help looking after ourselves. But what are the options when it comes to paying for long-term care?

Oscar Wilde once said: 'The tragedy of old age is not that one is old, but that one is young.' But the good news of rising life expectancy also brings with it the challenge of how we fund our future care costs. Who is responsible for looking after us if we need care in old age?

Medical advances and changes in our jobs and lifestyles have contributed to a big increase in the number of people who'll live to a ripe old age. But in those later years, many of us will need help looking after ourselves, either in our own home or perhaps eventually in a residential or nursing home.

Long-term care can refer to a variety of needs and care settings, such as living independently at home, adult day programmes and other community resources, assisted living facilities and skilled nursing facilities.

PROVIDING FINANCIAL SUPPORT

Long-term care insurance provides the financial support you need if you have to pay for care assistance for yourself or a loved one. Long-term care insurance can cover the cost of assistance for those who need help to perform the basic activities of daily life, such as getting out of bed, dressing, washing and going to the toilet.

You can receive long-term care in your own home or in a residential or nursing home. Regardless of where you receive care, paying for care in old age is a growing issue.

Government state benefits can provide some help, but may not be enough or may not pay for the full cost of long-term care.The level of state support you receive can be different depending on whether you live in England, Wales, Scotland or Northern Ireland.

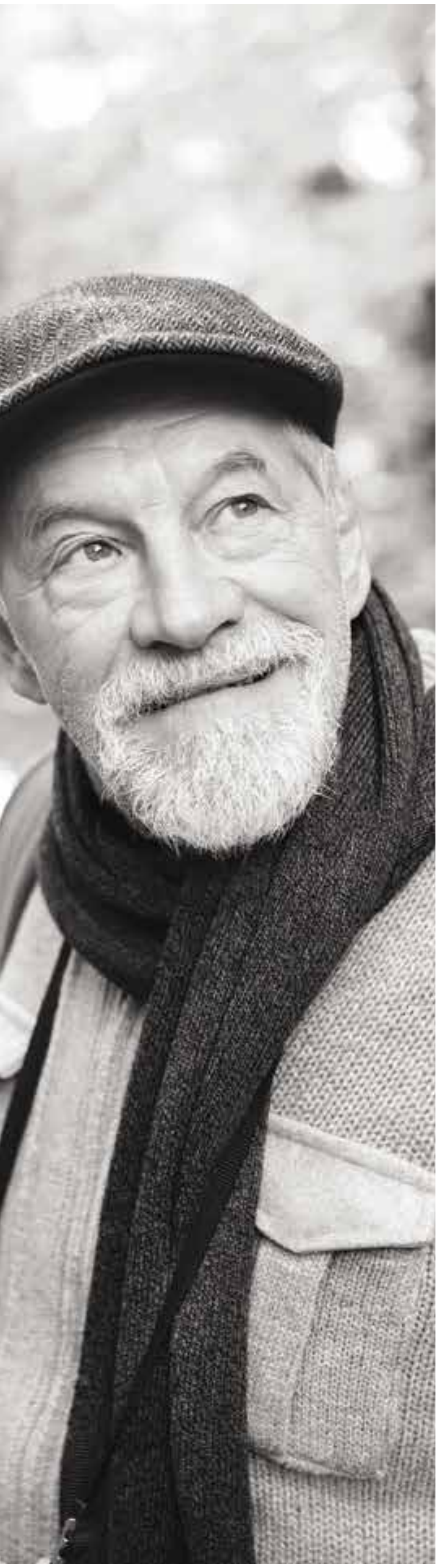
TYPES OF LONG-TERM CARE PLAN

Immediate needs annuities – pay a guaranteed income for life to help cover the cost of care fees in exchange for a one-off lump sum payment, if you have care needs now.

Pre-funded care plans – gave you the option of insuring your future care needs before they develop (these plans are no longer available to purchase).

OTHER OPTIONS

Enhanced annuities – you can use your pension to buy an enhanced annuity (also known as an impaired life annuity) if you have a health problem, a long-term illness, if you are overweight or if you smoke. Annuity providers use full medical underwriting to get a more accurate individual price. People with medical conditions including Parkinson's disease



and multiple sclerosis, or those who have had a major organ transplant, are likely to be eligible for an enhanced annuity.

Equity release plans – give you the ability to receive a cash lump sum as a loan secured on your home. These can be used if you are looking to fund a care plan now or in the near future.

Savings and investments – give you the opportunity to plan ahead and ensure your savings and assets are in place for your care needs.

If you are already retired or nearing retirement, it makes good sense to take professional financial advice to ensure that your affairs are in order – for example, arranging your Will or a power of attorney. It also makes sense to ensure your savings, investments and other assets are in order in case you or your spouse or registered civil partner may need long-term care in the future.

When planning for your future care needs, think about:

- who (in your family) most needs long-term care and for how long
- whether you need a care plan now
- whether you should be planning ahead for yourself or a loved one
- whether you have the money to pay for long-term care
- how long you might need to pay for a care plan
- whether home care or a nursing home is required
- what kinds of things would be required of the help. For example, help with dressing, using the toilet, feeding or mobility
- whether you find that your home requires additional features, such as a stair lift, an opening and closing bath or a bath chair, and/or home help

MAKING DECISIONS AT WHAT CAN BE AN EMOTIONAL TIME

Life expectancy has increased, which in turn puts a greater strain on the standard of care that state support can provide. Many people don't consider the issue of care at all and it falls to their families to make long-term – often very expensive – decisions at what can be an emotional time.

However, when an individual reaches the stage that they require long-term care, this does not necessarily mean that their life expectancy becomes reduced. The required care could last for 15 years or more, and therefore incurs considerable costs. ●

LONG-TERM CARE

Vision for the future of adult social care

The government has set out its vision for the future of adult social care. New plans were announced on 7 September 2021 for adult social care reform in England. This included a lifetime cap on the amount anyone in England will need to spend on their personal care, alongside a more generous means test for local authority financial support.

From October 2023, the government will introduce a new £86,000 cap on the amount anyone in England will need to spend on their personal care over their lifetime. In addition, the upper capital limit (UCL), the point at which people become eligible to receive some financial support from their local authority, will rise to £100,000 from the current £23,250.

MEANS-TESTED SUPPORT

As a result, people with less than £100,000 of chargeable assets will not be required to contribute more than 20% of these assets per year. The UCL of £100,000 will apply universally, irrespective of the circumstances or setting in which an individual receives care. The lower capital limit (LCL), the threshold below which people will not have to pay anything for their care from their assets, will increase to £20,000 from £14,250.

To allow people receiving means-tested support to keep more of their own income, the government will unfreeze the Minimum Income Guarantee (MIG) for those receiving care in their own homes and Personal Expenses Allowance (PEA) for care home residents, so that from April this year they will both rise in line with inflation.

PEOPLE IN CARE HOMES

The cap will not cover the daily living costs (DLCs) for people in care homes, and people will remain responsible for their daily living costs throughout their care journey, including after they reach the cap. For simplicity, these costs will be set at a national, notional amount of £200 per week.

DLCs are a notional amount to reflect that a proportion of residential care fees are not directly linked to personal care, for example, rent, food and utility bills, and would have had to be paid wherever someone lives.

KEEPING INCOME AND ASSETS

This is in line with the Commission on Funding of Care and Support's 2011 recommendation. The £200 level is £30 less than a proposal set out in 2015, ensuring people get to keep more of their income and assets.

At this stage, it is too early to say what the end result may be for the proposed adult social care reform in England. As the bill now moves forward to public consultation this year, we'll be watching closely and will be providing further updates to ensure you are kept fully up to date. ●

WRITING A WILL

How much do you have to leave and who will get what?

It's important to make sure that after you die, your assets and possessions (known as your 'estate') will go to the people and organisations (known as your 'beneficiaries') you choose, such as family members and charities you want to support.

Your estate includes your personal possessions, as well as assets such as:

- property (in the UK or overseas)
- savings and investments
- insurance funds
- pension funds

If you die without a valid Will, it could be difficult for your family to sort out your affairs. Your estate will be shared out according to the rules of intestacy. Under these rules, only married partners, registered civil partners and certain close relatives can inherit your estate.

If you and your partner are not married or in a registered civil partnership, your partner won't have the right to inherit – even if you're living together.

It's important to make a Will if you:

- own property or a business
- have children
- have savings, investments or insurance policies

LAW WILL DECIDE

If you die with no valid Will in England or Wales the law will decide who gets what. If you have no living family members, all your property and possessions will go to the Crown.

If you make a Will you can also make sure you don't pay more Inheritance Tax than you legally need to. It's an essential part of your financial planning. Not only does it set out your wishes, but, die without a Will, and your estate will generally be divided according to the rules of intestacy, which may not reflect your wishes. Without one, the state directs who inherits, so your loved ones, relatives, friends and favourite charities may get nothing.

SAME-SEX PARTNERS

It is particularly important to make a Will if you are not married or are not in a registered civil partnership (a legal arrangement that gives same-sex partners the same status as a married couple). This is because the law does not automatically recognise cohabitants (partners who live together) as having the same rights as husbands, wives and registered civil partners. As a result, even if you've lived together for many years, your cohabitant may be left with nothing if you have not made a Will.

A Will is also vital if you have children or dependants who may not be able to care for themselves. Without a Will, there could be uncertainty about who will look after or provide for them if you die.

PEACE OF MIND

No one likes to think about it but death is the one certainty that we all face. Planning ahead can give you the peace of mind that your loved ones can cope financially without you and, at a difficult time, helps remove the stress that monetary worries can bring. Planning your finances in advance should help you to ensure that, when you die, everything you own goes where you want it to.

Making a Will is the first step in ensuring that your estate is shared out exactly as you want it to be.

If you leave everything to your spouse or registered civil partner there'll be no Inheritance Tax to pay, because they are classed as an exempt beneficiary. Or you may decide to use your tax-free allowance to give some of your estate to someone else or to a family trust. Scottish law on inheritance differs from English law.

REASONS TO MAKE A WILL

A Will sets out who is to benefit from your property and possessions (your estate) after your death.

There are many reasons why you need to make a Will:

- You can decide how your assets are shared – if you don't have a Will, the law says who gets what
- If you're an unmarried couple (whether or not it's a same-sex relationship), you can make sure your partner is provided for
- If you're divorced, you can decide whether to leave anything to your former partner
- You can make sure you don't pay more Inheritance Tax than necessary
- Several people could make a claim on your estate when you die because they depend on you financially
- You want to include a trust in your Will (perhaps to provide for young children or a disabled person, save tax or simply protect your assets in some way after you die)
- Your permanent home is not in the UK or you are not a British citizen

- You live here but you have overseas property
- You own all or part of a business

Before you write a Will, it's a good idea to think about what you want included in it.

You should consider:

- How much money and what property and possessions you have
- Whom you want to benefit from your Will
- Who should look after any children under 18 years of age
- Who is going to sort out your estate and carry out your wishes after your death (your executor)

PASSING ON YOUR ESTATE

Executors are the people you name in your Will to carry out your wishes after you die. They will be responsible for all aspects of winding up your affairs after you've passed away, such as arranging your funeral, notifying people and organisations that you've died, collating information about your assets and liabilities, dealing with any tax bills, paying debts and then distributing your estate to your chosen beneficiaries.

You can make all types of different gifts in your Will – these are called 'legacies'.

For example, you may want to give an item of sentimental value to a particular person, or perhaps a fixed cash amount to a friend or favourite charity. You can then decide whom you would like to receive the rest of your estate and in what proportions. Once you've made your Will, it is important to keep it in a safe place and tell your executor, close friend or relative where it is.

> **"IT IS PARTICULARLY IMPORTANT TO MAKE A WILL IF YOU ARE NOT MARRIED OR ARE NOT IN A REGISTERED CIVIL PARTNERSHIP (A LEGAL ARRANGEMENT THAT GIVES SAME-SEX PARTNERS THE SAME STATUS AS A MARRIED COUPLE)."**

REVIEW YOUR WILL

It is advisable to review your Will every five years and after any major change in your life, such as getting separated, married or divorced, having a child or moving house. Any change must be by Codicil (an addition, amendment or supplement to a Will) or by making a new Will. ●

LASTING POWER OF ATTORNEY

Giving someone you trust authority to help you make decisions

As someone becomes more unwell, they're likely to find it more difficult to manage money and financial affairs, and may become too unwell to make decisions about health and care. A Lasting Power of Attorney (LPA) is a legal document in which someone (the donor) gives another person (the attorney) the right to help them make decisions, or take decisions on their behalf.

An LPA is a completely separate legal document to your Will, although many people put them in place at the same time as getting their Will written as part of wanting to plan for the future. Many people find it reassuring to know that someone they trust will be able to make decisions on their behalf if they become too unwell.

DURING YOUR LIFETIME

Once you have an LPA in place, you can have peace of mind that there is someone you trust to look after your affairs if you became unable to do so yourself during your lifetime. This may occur, for example, because of an illness, old age or an accident.

Having an LPA in place can allow your attorney to have authority to deal with your finances and property as well as make decisions about your health and welfare. Your LPA can include binding instructions together with general preferences for your attorney to consider. Your LPA should reflect your particular wishes so you know that the things that matter most would be taken care of.

REQUIRED LEGAL CAPACITY

You can only put an LPA in place while you are capable of understanding the nature and effect of the document, for example, you have the required legal capacity. After this point, you cannot enter into a LPA and no one can do so on your behalf.

Many people don't know that their next of kin has no automatic legal right to manage their spouse's affairs without an LPA in place, so having to make decisions on their behalf can become prolonged and significantly more expensive.

In England and Wales there are two types of Lasting Power of Attorney.

Lasting Power of Attorney for Health and Welfare can generally make decisions about matters including:

- where you should live
- your medical care
- what you should eat
- whom you should have contact with
- what kind of social activities you should take part in

You can also give special permission for your attorney to make decisions about life-saving treatment.

Lasting Power of Attorney for Property and Financial Affairs decisions can cover:

- buying and selling property
- paying the mortgage
- investing money
- paying bills
- arranging repairs to property

MANAGE YOUR AFFAIRS

Without an LPA in place there is no one with the legal authority to manage your affairs, for example, to access bank accounts or investments in your name or sell your property on your behalf. Unfortunately, many people assume that their spouse, partner or children will just be able to take care of things but the reality is that simply isn't the case.

In these circumstances, in order for someone to obtain legal authority over your affairs, that person would need to apply to the Court of Protection and the Court will decide on the person to be appointed to manage your affairs. The person chosen is appointed your 'Deputy'. This is a very different type of appointment, which is significantly more involved and costly than being appointed attorney under an LPA.

If you wish to have peace of mind that a particular person will have the legal authority to look after your affairs and you want to make matters easier for them and less expensive, then you should obtain professional advice about putting in place an LPA.

HEALTH AND WELFARE LASTING POWER OF ATTORNEY

Allows you to name attorneys to make decisions about your healthcare, treatments and living arrangements if you lose the ability to make those decisions yourself. Unlike the Property and Financial Affairs LPA, this document will only ever become effective if you lack the mental capacity to make decisions for yourself.

If you can't communicate your wishes, you could end up in a care home when you may have preferred to stay in your own home. You may also receive medical treatments or be put into a nursing home that you would have refused if only you had the opportunity to express yourself; and this is when your attorney, appointed by the LPA, can speak for you.

PROPERTY AND FINANCIAL AFFAIRS LASTING POWER OF ATTORNEY

Allows you to name attorneys to deal with all your property and financial assets in England and Wales. The LPA document can be restricted so it can only be used if you were to lose mental capacity, or it can be used more widely, such as if you suffer from illness, have mobility issues or if you spend time outside the UK.

PROTECTING YOU AND YOUR FAMILY SHOULD THE WORST HAPPEN

Do you need help managing the financial affairs or health decisions of a relative? Are you concerned that failing health may leave you incapable of managing your own finances and general wellbeing? Arranging a Lasting Power of Attorney could be used to protect you and your family should the worst happen. To find out more, please contact us. ●

READY TO DISCUSS SECURING YOUR AND YOUR FAMILY'S FINANCIAL FUTURE?

No matter what stage you are at in your life, whether you are buying your first property, starting a family or looking to support your retirement, protection should be a key part of your financial planning.

To review your situation, please contact us – we look forward to hearing from you.

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