

PROTECTION NEWSLETTER

PEACH FINANCIAL

Please enjoy reading our newsletter. If you would like to discuss any of the articles further, please do not hesitate to contact us.



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Openwork
PARTNERSHIP

The perks of protection

What support do insurers offer after the event?

Illness and bereavement help.

Many providers give free access to services offering practical and emotional support for those left behind after the death of the policyholder.

Rehabilitation.

Insurers usually offer back-to-work support services, including physiotherapy, careers guidance or advice if you choose to go self-employed. If you're returning to work following a mental health issue, providers will continue to cover counselling sessions for a set period of time.

As well as peace of mind, many insurance providers offer additional benefits that you may not know about.

Whether we're crossing the road or getting on a plane, we encounter risks every day. For many of us, life has felt more uncertain than ever over the past year as we continue to deal with the coronavirus pandemic. Although we can't always control what's happening in our lives, we can plan for the unexpected.

By taking out a protection policy, you can safeguard your family's finances if your situation changes. The main types of protection include:

- Life cover – pays out a lump sum if you die
- Health insurance – pays medical costs at a private hospital or private ward
- Critical illness – pays a tax-free lump sum if you're diagnosed with a major illness
- Home contents and buildings – covers your home's structure (including fixtures and fittings) and contents (furniture)
- Income – pays out if you can't work due to illness or injury

As well as peace of mind, protection policies often come with added extras. We've highlighted examples of some of the perks you could receive when you take out a policy, even if you don't make a claim.

Welcome gifts

When you sign up for a protection policy, some providers offer a welcome gift. For example, health insurers sometimes offer gadgets like an Apple Watch to help you track your activity – with some even offering a discount based on the amount of exercise you do each month.

Discounts

Many health insurers offer discounts on gym memberships and weight-loss programmes to help you embrace a healthier lifestyle. Some also offer you the option of taking a health check to reduce the amount you pay each month.

It's worth noting that when you take out a protection policy, your provider is likely to offer you discounts on other products such as pet or travel insurance.

Additional healthcare options

Some health insurers now cover complementary therapies such as osteopathy and acupuncture, giving you more treatment choices. In addition, counselling services are now included in most health insurance policies and many also give you the option to upgrade your hospital room if you need treatment.

Will writing

Some providers of life insurance give new policyholders the opportunity to draw up a will free of charge.

Cover for children

Many critical illness plans include free cover for dependent children.

Whatever type of protection you're looking for, get in touch and we can help





Flexible insurance for when you need it

It's all too easy for us to put our head in the sand when it comes to thinking about our protection requirements. People tend to find it challenging to engage with the topic as it involves thinking of negative potential scenarios. In reality, this is the reason to put it to the top of your 'to-do list'. Life is hopefully rosy but being prepared for any eventuality is truly priceless.

One important type of protection worth serious consideration is accident and injury cover. Life's an adventure, we don't always know what's waiting for us around the corner and if the unexpected happens, you deserve the peace of mind that you've got things covered financially.

Flexible cover, tailored to your needs

We can advise you accident and injury cover for your circumstances that provides financial support covering a range of accidental injuries, from a broken bone, to one that could seriously impact your life.

The flexibility of cover available is one of the major benefits, in addition to the ability to choose the level of cover that is tailored to your individual requirements and lifestyle; and suits your budget.

Core cover includes broken bones, accidental death and permanent injury, permanent disability, funeral benefits and UK hospital stays.

Some policies give you optional cover add-ons like protecting your children, active lifestyle cover and healthcare cover, for those who may be at particular risk of contracting certain illnesses, such as those who work in the healthcare sector.

With accident cover you can make multiple injury claims and your policy will continue to protect you in the future.

The last few months have provided the perfect opportunity to take stock of your finances and protection cover; you may be thinking about reducing your outgoings, but protection policies can provide a lifeline when you need it most.

For a cost-effective way to look after yourself and your loved ones, so you're ready for the unexpected, we can help ensure all of your protection needs are covered. Then you can enjoy life, unclouded by concerns of what might happen if you're ill, injured or need to spend time in hospital.

As with all insurance policies, conditions and exclusions will apply

Both the funeral and accidental death benefit once paid out, will end the plan.

Age restrictions apply on child cover



You can take out cover from the age of 18 to 60, without any health questions.



The cost of your policy will remain the same, even if you make a claim or as you get older.



Policies pay a fixed amount of money for specific injuries, depending on the level of cover.

The world is changing – so should your insurance

The world is changing rapidly in a way that nobody could ever have expected, meaning your personal and financial circumstances are likely to have changed. It is important to regularly review all aspects of your finances and that includes reviewing your protection insurance, to make sure your policy provides adequate cover for your changing needs.

Underinsured

If you don't regularly review and update your policy, any pay-out you do receive from your claim may not be enough to cover you and your family's needs if you were to die or if you are unable to work due to illness.

Say you took out a life insurance policy covering you for a certain amount. After several years, you may have children, resulting in a move to a larger house. If you take a larger mortgage; your monthly outgoings would increase, and you would have bigger bills to pay. Therefore, the lump sum paid out to your family upon your death would no longer be sufficient to sustain their lifestyle and might leave them facing financial hardship.

New policies offer better protection

Like any industry, the insurance industry has evolved over time. Modern policies can offer you better protection and more extensive cover.

When comparing a critical illness policy sold in 2007 with one sold in 2017, the more modern policy may have better claims wording, provision for part-payment and other advantages.

If you have simply been paying your premiums on the same policy for years, it is likely that, as well as facing the risk of being underinsured, you also won't be benefiting from the kind of comprehensive cover offered by today's policies.

Let us protect you

With so many different types of protection insurance on the market, it's not surprising that many people just stick with the cover they have. It may not be the best cover for them. We can assist you in finding the very best policies for your circumstances, so you have the peace of mind that you, and your family, will be protected should the worst happen.

Please note: Older policies may cover illnesses which modern policies do not. Premiums may be cheaper due to the age of the policy. Certain cover may be excluded on a new policy due to pre-existing conditions.

Always get professional advice when reviewing your insurance policies.

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Crowdfunding the cost of healthcare



Crowdfunding is becoming increasingly common among people who need healthcare that's not freely available through the NHS. The increase is said to be due to access to overseas clinics and high-profile social media campaigns such as the 2014 campaign for Mike Brandon.

Websites such as justgiving.com, crowdfunder.co.uk and gofundme.com are full of campaigns from families trying to raise funds for treatments or seeking help to avoid the financial hardships that a serious illness such as cancer or stroke can cause.

Even though the vast majority of proven effective treatments for cancer are funded by the NHS, more than £20m was raised for cancer treatment not available on the NHS on crowdfunding sites during 2018, a staggering amount when you consider just £530,000 was raised this way in 2015.

Don't rely on crowdfunding

Crowdfunding can put you under pressure and scrutiny at a time when families should be concentrating on treatment and recovery, living life to the max or maybe completing a bucket list.

Taking out a critical illness plan could help with the financial impact that the diagnosis of a serious illness could have on you and, in turn, your family's life.

Supporting young people too

Many Critical Illness policies also include cover for children (natural, step and legally adopted) as an automatic benefit. This can pay out a lump sum if a child is diagnosed with a critical illness or is hospitalised.

Although cancer in young people is rare, it is still the most common cause of death for children aged up to 15. Sadly, around 1,600 children under 15 and 2,200 teenagers and young adults (15-24 years old) are diagnosed with a form of cancer every year.

It's a tough subject to think and talk about but taking action now could save you and those nearest and dearest to you considerable stress and worry at a very difficult time.





Business Protection

You need it more than ever

Prior to lockdown, over half (51%) of businesses had some form of debt, owing an average of £176,000 each – and yet just 20% used an insurance policy as security.

To add to this already significant issue, bank lending to struggling businesses via government-backed COVID-19 loan schemes reached nearly £52bn as of mid-August – meaning that UK businesses are more heavily indebted than ever.

Business loan protection

Business loan protection provides funds to repay a business loan, commercial mortgage, or a director's loan if one of the company's owners were to die or be diagnosed with a serious or terminal illness. Essentially, this type of insurance comprises a life cover or critical illness policy taken out on the life of the business owner or key person, with the payout ensuring the business can pay its debts should the worst happen.

Most lenders require some form of security when lending to businesses; often, business owners will use their own personal wealth (e.g. their property) as security. So, in addition to their business suffering if they were to unexpectedly die or become seriously ill, their family could face serious financial hardship or even lose their home.

Director's loans

It is common for businesses to have a director's loan account, through which the director can:

- Lend money to the business to fund initial start-up costs or see it through cash flow pinch points, for example;
- Borrow money from the company that is not classed as salary, dividends or expense repayments.

According to research from Legal & General, the average director's loan totals £169,000 – and yet well over a quarter (28%) of businesses are unaware that director's loans must be repaid upon death. This means the business could collapse if there is no insurance policy in place as security.

Loss of a key person

A staggering 52% of businesses say they would cease trading within a year if they lost a key person. Losing a key member of staff can have a huge impact on the business in terms of lost profits, poor cashflow and, potentially, a change in its creditors' attitudes to outstanding debts. That's where business loan protection comes in – it can help alleviate financial pressure by paying off the company's debts and enabling the business to get back on track.

As with all insurance policies, conditions and exclusions will apply

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