

# PEACE OF MIND FOR YOU AND YOUR FAMILY

## *Making the right decisions to protect your financial situation*

With so many different protection options available, making the right decision to protect your personal and financial situation can seem overwhelming. There is a plethora of protection solutions which could help ensure that a lump sum, or a replacement income, becomes available to you in the event that it is needed.

We can make sure that you are able to take the right decisions to deliver peace of mind for you and your family in the event of death, if you are too ill to work or if you are diagnosed with a specified critical illness.

You can choose protection-only insurance, which is called 'term insurance'. In its simplest form, it pays out a specified amount if you die within a selected period of years. If you survive, it pays out nothing. It is one of the cheapest ways overall of buying the cover you may need.

Alternatively, a whole-of-life policy provides cover for as long as you live.

### **LIFE ASSURANCE OPTIONS**

Whole-of-life assurance plans can be used to ensure that a guaranteed lump sum is paid to your estate in the event of your premature death. To avoid inheritance tax and probate delays, policies should be set up under an appropriate trust

- Level term plans provide a lump sum for your beneficiaries in the event of your death over a specified term
- Family income benefit plans give a replacement income for beneficiaries on your premature death
- Decreasing term protection plans pay out a lump sum in the event of your death to cover a reducing liability for a fixed period, such as a repayment mortgage

### **HOW WOULD YOU COPE FINANCIALLY?**

Simply having life assurance may not be sufficient. For instance, if you contracted a near-fatal disease or illness, how would you cope financially? You may not be able to work and so lose your income, but you are still alive so your life assurance does not pay out.

Income Protection Insurance (IPI), formerly known as 'permanent health insurance', would make up a





percentage of your lost income caused by an illness, accident or disability. Rates vary according to the dangers associated with your occupation, age, state of health and gender, but IPI is particularly important if you are self-employed or if you do not have an employer that would continue to pay your salary if you were unable to work.

### **SPECIFIED 'CRITICAL' ILLNESSES**

If you are diagnosed with suffering from one of a number of specified 'critical' illnesses, a critical illness insurance policy would pay out a tax-free lump sum if the event occurred during the term of your policy. Many life insurance companies offer policies that cover you for both death and critical illness and will pay out the guaranteed benefit on the first event to occur.

### **MANAGING YOUR AFFAIRS**

Beyond taking the obvious step of ensuring that you have adequate insurance cover, you should also ensure that you have made a Will. A living will makes clear your wishes in the event that, for example, you are pronounced clinically dead following an accident, and executes an enduring power of attorney, so that if you become incapable of managing your affairs as a result of an accident or illness, you can be reassured that responsibility will pass to someone you have chosen and trust.

All of these protection options also apply to your spouse and to those who are in registered civil partnerships.

*Information is based on our current understanding of taxation legislation and regulations. Any levels and bases of and reliefs from taxation are subject to change.*

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### **PROFESSIONAL FINANCIAL ADVICE YOU CAN TRUST**

Choosing the right mix of financial protection for your particular situation is essential to ensure that your specific requirements are fully covered. If you would like to discuss the range of protection services we offer, please contact us for further information – we look forward to hearing from you.