



It's Time to Talk About Protection!

A brief outline on the importance of ensuring you and your family are covered should the worst happen (it's never a pleasant topic, but it can bring peace of mind!).

We all know the importance of financial protection, from life insurance and critical illness cover to income protection, business and corporate protection, the list of protection products goes on and can be tailored to just about any individuals' circumstances and budget.

So why do we all put insurance to the side? Easy; protection generally incurs a monthly outgoing in a time in which purse strings are already notoriously tight, it's the simplest thing for us to ignore or put on the backburner and of course the "it will never happen to me" mindset. But when we think, really think; is there anything more important when making your financial plan, than INSURING yourself and ENSURING financial protection for your loved ones? More than that - arranging insurance can be the easiest start to making a financial plan from which to build on.

People have heard the old sales adage, "If you had a cash machine at the bottom of your stairs and every morning it kicks out £200, you would insure it wouldn't you? Well, during your working career you are that very cash machine, so why wouldn't you insure yourself?". Whilst this is undoubtedly cheesy and outdated, there is a layer of truth in this; a recent study by Halifax found that people are three times more likely to insure their pet than themselves! At William Dixon & Associates, as a team of financial planning consultants, we build long-term financial plans for clients integrating pension planning, investments, protection and mortgage planning, in line with client goals and ensuring that what we put in place is always in the client's best interest. But whilst "making money work harder", "working towards a specific retirement lifestyle" and helping clients with cash flow planning are all paramount to taking a holistic financial planning approach, where better to start than protecting what you already have?

I touched briefly on the expense of insurances above, with price being one of the key barriers to entry when it comes to people taking out a protection plan. This is completely understandable in particular given the current climate and we appreciate that all individuals needs and budgets will differ drastically, however by having the necessary and often brief discussion with a financial planner, we can ensure that we are maximising your level of protection in line with your budget, whilst looking at everyone's needs on an individual basis.

Whether you currently have no protection plans in place or you have plans in place of which you feel you would like to have a fee free, no obligation review, please don't hesitate to reach out.

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Some interesting statistics and facts you need to know when considering financial protection

- 1) Only 35% of people have life insurance cover, whilst 6 in 10 households agree that it would benefit their family (Direct Line Study)
- 2) 54% of households would struggle to manage if the main earner was unable to work due to illness for 6 months (Mintel Research Report, March 2020)
- 3) 42% of households admitted not knowing how much life insurance costs (Direct line study)
- 4) The average age of a critical illness claim related to open heart surgery was 35, motor neurone disease was 45 and stroke was 50 (Zurich, 2021)
- 5) Critical illness cover isn't to be solely used to pay off a mortgage. This can cover any debts, a car on finance, a child's university tuition. Furthermore, this could be used for private medical care to ensure you get access to the quickest treatment or certain hospitals. Simply, this is a pay-out for what you deem most important during a tough period in your family's life.
- 6) A non-smoking man, age 40. Is 4.1 times more likely to be diagnosed with a critical illness before a retirement age of 65 years old than to die in this period. (Royal London, Pacific Life Re, March 2018)
- 7) In England, throughout 2017 there were 837 new cancer diagnoses every day (305,683 in total). 39% of these people with a cancer diagnosis use savings, sell assets or borrow to cover incurred costs or the loss of income caused by their diagnosis. (Royal London via Cancer Research UK, July 2020)