

**Do I really need
protection?**

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**Protection
gives you
peace of mind.**

It's understandable that many of us are often too busy to think about things like insurance – especially for ourselves – and instead we cross our fingers and hope for the best.

But with so much uncertainty in life, is this really such a good idea? Unfortunately no one knows what's round the corner. It might not be the most thrilling topic, but have you ever thought about how you would cope financially if you became ill and couldn't work? How would you cover your mortgage, rent or pay the bills?

We might be fit and healthy now, and think, "it will never happen to me". But unfortunately illness can happen at any time. And the financial – as well as emotional – impact can be devastating.

It's never too soon to start thinking about having even a little protection insurance in place. You could buy a protection plan for as little as £10 a month.¹

We've written this brochure to help explain how protection can help you, the different types that are available, and why now might be the best – and cheapest – time to take out insurance.

Source:

¹ Female, 27 next birthday, non-smoker. Life or Critical Illness Cover, 25-year term on guaranteed rates, lump sum of £37,882.50 payment £10 including plan charge. Bright Grey, March 2010.

Could you live on £79.15 a week?

Why do I need to protect my income?

Bills, rent or mortgage, food, clothes, nights out – they're all paid for by your salary. Which means that if you become ill and can't work, your finances and lifestyle would become uncertain.

So what's the alternative? Many people's first thought might be to rely on the state. But could you really survive on £79.15 a week?¹ With the average monthly rent for a one-bedroom home currently at around £428 a month – or £107 a week² – it's unlikely that government handouts would even scratch the surface.

If you're in regular employment and entitled to sick pay, your employer will pay you for a set length of time. But what would happen when that income stopped? Many people think they could adjust their lifestyle by cutting back, or by relying on friends and family to help out.

But recovering from a serious illness can take a long time. And many people are unable to return to work fully, even after a complete recovery. Even if you're lucky enough to have some savings put by, these can run out quicker than you might think.

Surviving an illness can be difficult enough without worrying about how to keep on top of all this too. But having even a small financial cushion in place would ensure that you wouldn't fall behind while you're trying to recover.



38%

of the UK's working population could not survive for more than a month on savings alone³

Sources:

1 and table opposite, benefit and pension rates, Department for Work and Pensions, August 2009.

2 www.rentright.co.uk, January 2010.

3 The reality gap report, Bright Grey, July 2009.

Could you live on these state benefits?

State benefits	Money paid (weekly)	For how long
Statutory Sick Pay	£79.15	First 28 weeks
Employment and Support Allowance (assessment phase)	Up to £64.30	First 13 weeks
Employment and Support Allowance (main phase)	Up to £89.80 (Work Related Activity Group) Up to £95.15 (Support Group)	From week 14 of claim

For information on other state benefits visit www.direct.gov.uk

Having a protection plan would give you the right amount to fall back on in case anything happened to you.

I'm too young to need insurance

Is it really likely to happen?

We certainly hope not. But unfortunately we can never be sure what life's going to throw at us.

You might think that you're too young to become ill. But recent research by protection provider Bright Grey found that 44% of their claims were made by people who were under 40.¹ Younger than you might expect?

The good news is that survival rates from serious illnesses are improving. For example, the average 10-year cancer survival rate has doubled over the last 30 years.²

In fact, as you can see from the table opposite, many of the most common cancers now show improved survival rates. But as you can imagine, surviving an illness can often create additional pressures. Not just emotional, but financial too...



90%

of cancer patients suffer a loss of income or higher costs as a result of their diagnosis³

Sources:

1 Bright Grey claims statistics, 1 January – 31 December 2009.

2 www.info.cancerresearch.uk.org, January 2010.

3 Macmillan, *The cost of living doesn't stop going up*, autumn 2008.

4 www.thisismoney.co.uk, December 2009.

5 National Statistics Online, March 2009.

Even a short-term loss of income can make it difficult to keep up with existing bills, never mind the possible additional costs of treatment and the other things we might not think about – day-to-day things such as parking costs. Did you know that hospitals make more than £110 million a year from parking fees, and charges can be as much as £25 a day?⁴

This is where having some protection in place – whether it's life, critical illness cover or income protection – can really help.

Cancer survival rates 2001-2006, England⁵





A critical illness can happen to anyone, at anytime

What would happen if you became ill?

Here are some recent statistics from protection provider Bright Grey with details about customers who have claimed on their plans. They show that unfortunately serious illness can happen no matter what your age, gender or occupation.

Gender	Age	Occupation	Months in force	Amount claimed	Illness claim
Male	23	Chef	19	£138,007.53	Testicular cancer
Male	27	Insurance broker	22	£306,748.66	Leukaemia
Female	29	Sales assistant	47	£82,114.73	Multiple sclerosis
Male	30	Chartered engineer	18	£178,318.23	Stroke
Male	31	Maintenance repairer	39	£96,644.85	Brain cancer



Alex's story

“I would recommend protection to anyone.”

When 30-year-old Alex, a graphic designer, first took out a protection plan, he intended to take some life cover and some income protection.

But after his adviser mentioned how vital critical illness cover could also be, and Alex found that he could add it to his plan while staying within budget, he bought some of this too.

And he was glad he did because unfortunately, 2 years later, Alex had a stroke. It turned his world upside down. But thankfully just 6 weeks after claiming, he received a claim payment of £30,000, which helped him to pay his mortgage and monthly bills while he was off work recovering.

“I don't know what I would have done without the payout,” he says. “It would have changed my life so much. I would recommend protection to anyone.”



Source:
 Mintel income protection
 insurance report, January 2009.

How protection can help

A source of income to fall back on.

No one plans to die, get ill, or become injured, but you can plan for there to be a source of income to fall back on if this ever happened to you.

Protection plans allow you to cover yourselves against the financial impact of death, critical illness, loss of income due to sickness, or any combination of these events.

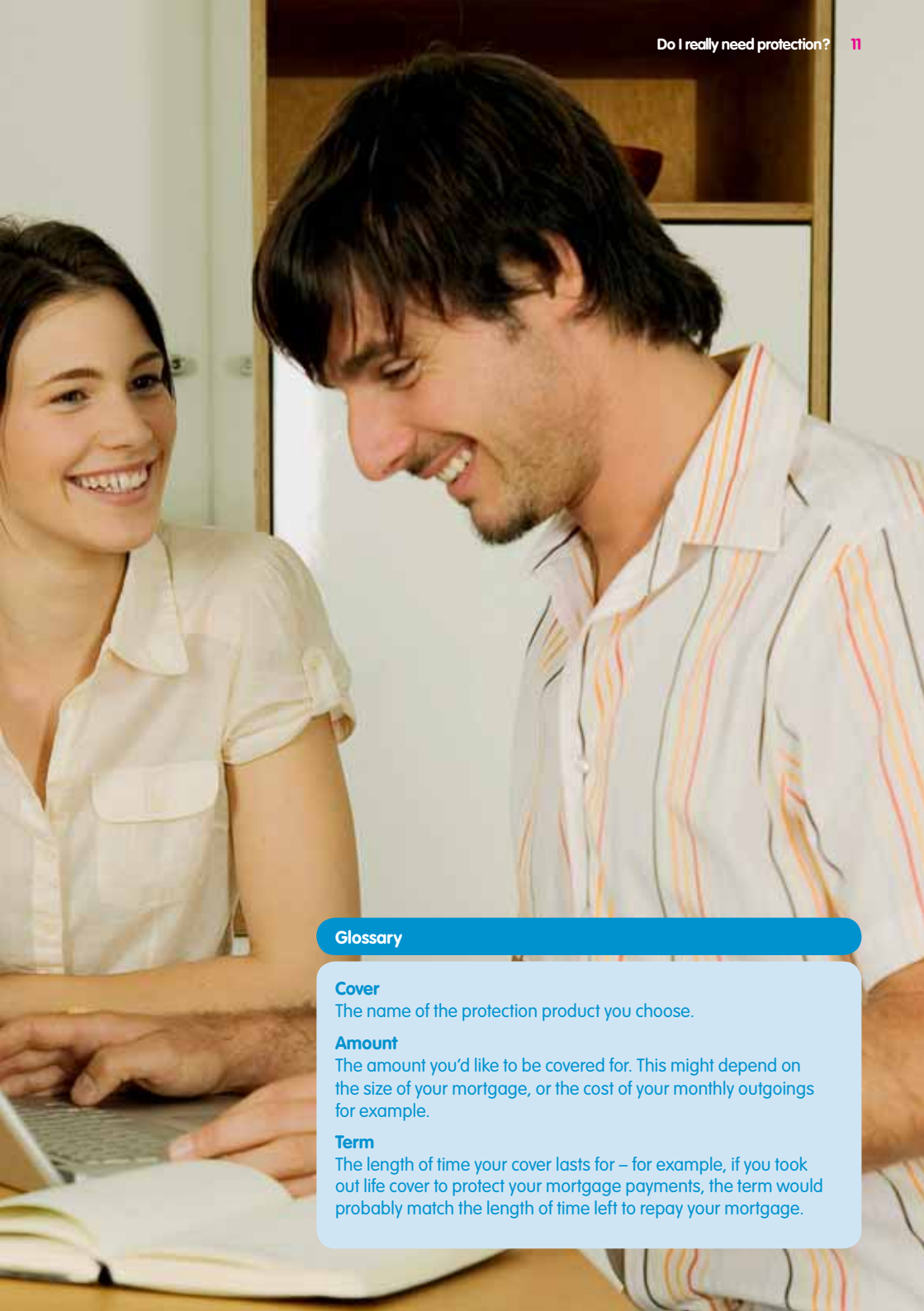
The great thing about some of the best protection providers is that they recognise that we're not all the same. So they make their protection plans flexible enough to suit each and every one of us.

This means that instead of buying each cover separately for a set amount – which could get very expensive – you can combine different covers for different amounts and terms, all in one plan.

You can also opt for the value of your cover to decrease over time. This might be useful if you want the amount of your cover to go down in line with the balance outstanding on your repayment mortgage.

If this is starting to sound a little complicated, don't worry. Your adviser can tailor your protection plan so that it meets your exact needs and budget.

You can choose from	What this provides
Life Cover	Money if you die or become terminally ill
Critical Illness Cover	Money if you're diagnosed with one of a list of defined critical illnesses
Life or Critical Illness Cover	Money if you die, become terminally ill, or are diagnosed with a critical illness, whichever happens first
Income Cover for Sickness	A monthly income if you're unable to work because of sickness or injury during the term of your cover
Payment Cover for Sickness	Makes sure your plan payments are made if you're unable to work because you're ill



Glossary

Cover

The name of the protection product you choose.

Amount

The amount you'd like to be covered for. This might depend on the size of your mortgage, or the cost of your monthly outgoings for example.

Term

The length of time your cover lasts for – for example, if you took out life cover to protect your mortgage payments, the term would probably match the length of time left to repay your mortgage.

Choosing the right covers

What should I protect?

If you don't have dependants you might not need life cover to pay off the mortgage if you die.

But if you think you might need some in the future, it's worth bearing in mind that the cost of life insurance has fallen dramatically recently, so now might be a good time to get some.¹

While you're footloose and fancy-free, you might also want to start with some critical illness cover or income protection.

Now might still be the best – and cheapest – time to take out this insurance too. This is because in general, protection insurance becomes more expensive the older you get. Younger people in good health are less likely to claim than older people so their plan could cost less.

Having some critical illness or income cover in place would mean that if something happened to you, you would still be able to pay your rent or mortgage, council tax, household and food bills without having to worry about it.

The flexibility of some protection plans means that you can always add more to your plan later.



£9,000
Average household
debt in the UK
(excluding mortgages)²

Sources:

1 www.lovemoney.co.uk, February 2010.

2 www.creditaction.co.uk, February 2010.

3 National Statistics Online, March 2010.



The average UK household spend a week in 2009³

Transport – £62 a week

Utility bills – £53 a week

Food and non-alcoholic drink – £51 a week

Clothing and footwear – £22 a week

How can I afford protection?

How much do you spend on little things each month?

Your protection plan doesn't have to cost the earth.

As little as £10 a month could give you just under £38,000 if you became seriously ill.¹ That would give you enough to keep a roof over your head, pay the bills and some living expenses, while you concentrated on getting better.

You might be tempted to think you haven't got £10 a month to spare. But how often do you spend £10, £15 or £20 a month on things like meals out, taxis,

and satellite TV, without even thinking about it? We often spend this money on things that you wouldn't really miss. But you might miss having £38,000 if you became seriously ill and couldn't work.

Even just a small amount of the right protection is better than none at all.



£50
a month



£20
a month

Sources:

¹ Female, 27 next birthday, non-smoker. Life or Critical Illness Cover, 25-year term on guaranteed rates, lump sum of £37,882.50 payment £10 including plan charge. Bright Grey, March 2010.

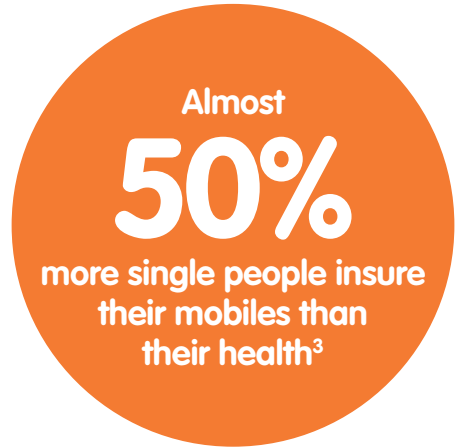
² www.insurance2go.co.uk, March 2010.

³ Tickbox.net, July 2008.

Are your possessions better insured than you are?

We worry that we'll lose our mobile or that our luggage might go missing on holiday, so we take out insurance to protect against the financial impact of these things happening.

But what about you? Would it really be more devastating to lose your phone than your home if the worst happened? Insuring yourself only would only cost a few pounds more than insuring your phone, so perhaps it might be time to rethink your insurance priorities?



Which one matters most?



£4.49
a month²

Mobile phone
Standard policy, Insurance2go.



£10
a month¹

You
Life or Critical Illness Cover, Bright Grey.

Sometimes you need more than financial protection

Emotional support as well as a cheque.

Choosing the protection insurance that's right for you can seem complicated. Different providers offer different products. Different products have different benefits. And cheapest doesn't always mean best.

And some offer more than just financial support – like bereavement counselling or emotional support when you claim.

Having someone on hand to listen to your questions and concerns can provide a huge comfort at a very difficult time.

When you talk to your adviser, why not ask about how you'd like to be cared for if anything happened, about the type of protection you need, and how much you can afford? They'll be able to tailor a plan to suit your specific needs and budget.

A woman with dark hair, wearing an orange sleeveless top and blue jeans, is smiling and holding a large, bright pink circle. The circle contains white text.

**Your adviser
can tailor a plan
to suit you**

Whatever life
throws at you,
protection can
make it easier.

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