

Life is complicated enough when you're healthy and have a steady income coming in.

No one needs the added financial, practical and emotional problems that a death or illness can bring. But sometimes, without warning, the unthinkable can happen.

Many of us will know of someone who has died young or perhaps battled to survive a serious illness. Anyone who's seen a family trying to deal with these things will know that the emotional impact can be devastating. But often we don't stop to think about the financial impact this can have too.

This is where protection insurance can really help. Having even a little protection in place to cover you and your partner in case one of you died or became ill would mean that your loved ones would be looked after financially. They'd be able to keep up the mortgage repayments, pay the household bills, buy food and clothing and maintain their standard of living without having to worry about it.

Many of us think that protection is going to be expensive, but you could buy a protection plan for as little as £15 a month.¹

We've written this brochure to show the different kinds of protection available and how it can help you and your family if things go wrong.

Source:

¹ Male, 36 next birthday, female, 34 next birthday, both non-smokers. Life or Critical Illness Cover, 20-year term, lump sum of £20,954.91 on guaranteed rates, payment £15 including plan charge of £2.60. Bright Grey, July 2011.

Why do we need protection?

Because sometimes the worst happens.

It's easy to think "it will never happen to me", especially when we're feeling fit and healthy. But unfortunately we never know what's round the corner.

Perhaps you've heard the stats that say that more than 1 in 3 of us will develop cancer during our lifetime?¹ Or that someone dies from a heart attack every 6 minutes in the UK?² The good news is that more and more people are surviving serious illnesses. Cancer survival rates in the UK, for example, have doubled in the last 40 years.³

In fact, as you can see from the table opposite, many of the most common cancers now show improved survival rates. But 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 diagnosis⁴

Sources:

1 www.info.cancerresearchuk.org, April 2011.

2 www.bhf.org.uk, July 2011.

3 <http://info.cancerresearchuk.org>, August 2011.

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

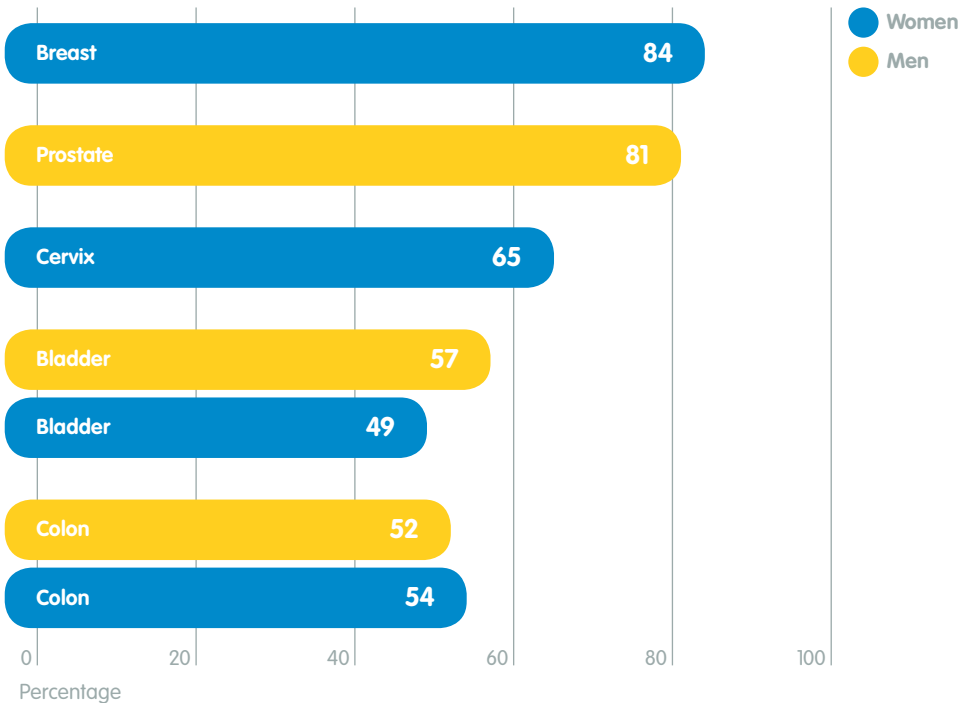
5 www.macmillan.org.uk, July 2011.

6 National Statistics Online, July 2011. 5 year relative survival rates for selected cancers, for adults diagnosed during 2004-2008, England.

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. Then there are other day-to-day things we might not think about such as heating. 1 in 4 people having cancer treatment struggle to pay their energy bills.⁵

And many people who survive a serious illness aren't able to return to working the same hours as before, and experience a long-term drop in income. Even just a temporary loss of pay because of an illness or accident can mean a devastating setback for your family's finances. This is where having some protection in place can really help.

Cancer survival rates 2004-2008, England⁶





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	Number of months they owned their plan	Amount claimed	Critical illness
Male	26	Housing inspector	27	£128,500.00	Lymphoma
Male	27	Electrician	7	£121,519.97	Kidney failure
Male	30	Gardener	7	£103,266.73	Bacterial meningitis
Female	30	Nursery nurse	32	£212,501.17	Liver cancer
Female	31	Fairground manager	60	£153,000.00	Open heart surgery

How much protection do we need?

Even a little bit of the right protection is better than none at all.

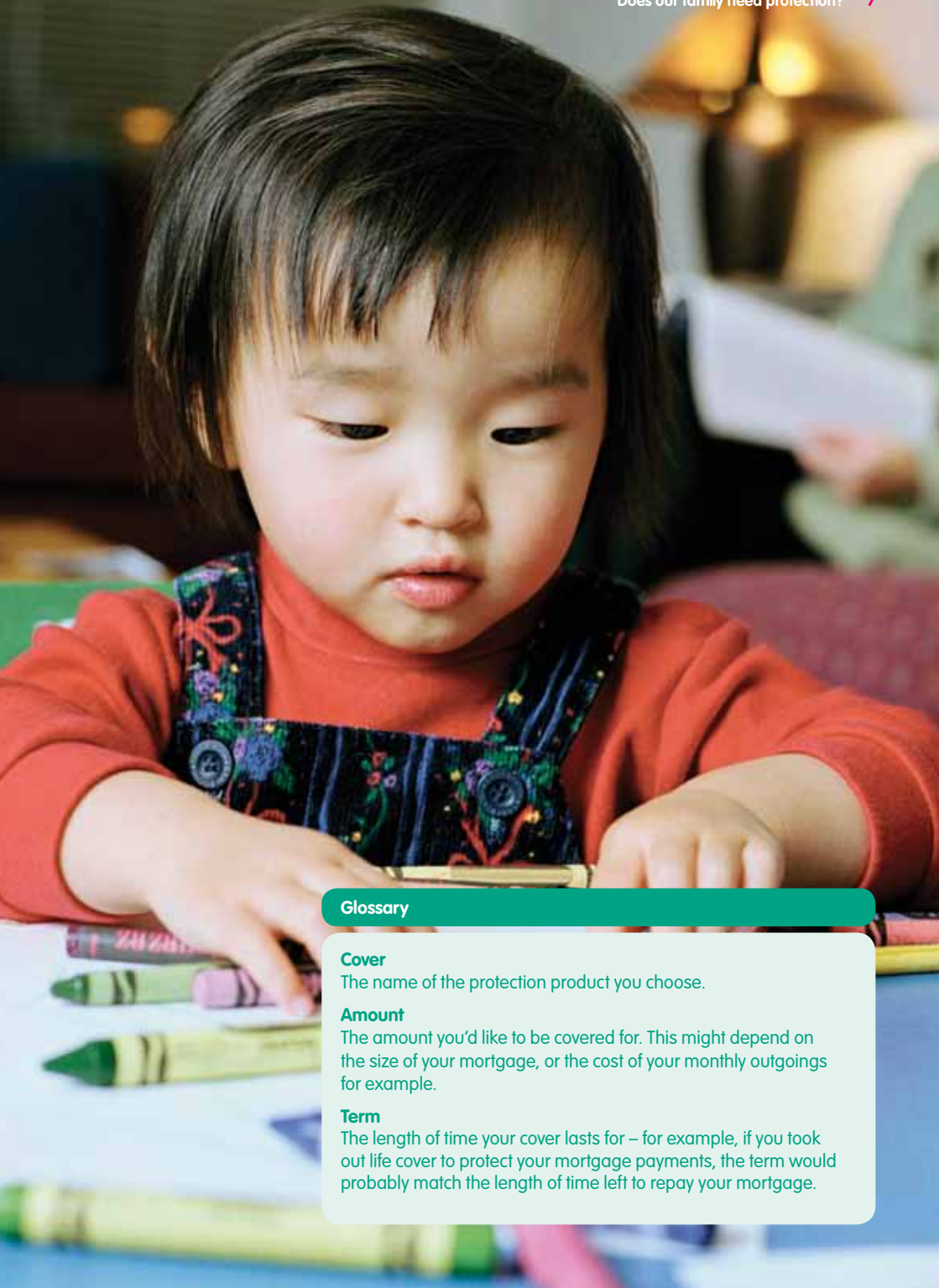
Protection plans allow you to cover your family against the financial impact of death, critical illness, loss of income due to sickness, or any combination of these events.

Some protection providers allow you to combine different covers for different amounts and terms, all in one plan. If this is starting to sound a little complicated, don't worry. Your adviser can tailor your protection plan so that it meets your needs and budget.

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.

Or you can choose for your payments to increase throughout the term of your plan so the value of your cover keeps in line with inflation.

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 do we need to protect?

Most people buy insurance to cover the mortgage, but is that enough? You might also need to think about getting some protection to safeguard your family's future.

Council tax, utility bills, food and childcare costs are just some of the everyday payments many of us have to make. And that's without the other regular things we buy such as meals out, holidays and birthday presents.

If the main breadwinner was no longer able to work, think of the impact this would have on your family. Even if the mortgage was taken care of, there's the cost of living to think about too.

And don't forget the full-time parents. You might think there's no need to buy insurance for a parent who has given up work to bring up a child.

But the costs of childcare and running the home can be higher than you might expect, so having protection that covers these can be valuable too.

This is where protecting more than just the mortgage can really help.

And you can vary the type of payment you would get if you had to make a claim. A lump sum can help pay off larger debts like a mortgage. A regular income like 'family income benefit' can be a more manageable way of paying the monthly bills if the unthinkable happened. Some providers allow you to combine both in one plan.



£30,032

That's the value
of a mum¹

Sources:

- 1 The value of the unpaid work a mum does around the home each year. Value of a mum survey, Legal & General, March 2011.
- 2 Cost of a child survey, LV=, February 2011.
- 3 Childcare costs survey, Daycare Trust, February 2011.
- 4 www.direct.gov.uk, July 2011.



The financial impact

£10,040

It costs £10,040 a year to raise a child to age 21. That's £836 a month, or £27.50 a day.²

£10,062

The typical cost of a full-time nursery place for a child under 2 is over £10,062 a year in England. That's £193 a week.³

£1,820

The typical cost of an after-school club is £1,820 a year. That's £35 a week.⁴

£9,000

The maximum cost of university tuition fees in England or Wales for the 2012/2013 academic year is up to £9,000.⁴



Andrea and Andrew's story

This is the story of Andrea and Andrew who bought protection insurance with provider Bright Grey in 2005. It never crossed their minds that anything could go wrong, but unfortunately in August 2008 Andrea was diagnosed with breast cancer.

As well as being mother to 3 boys, aged 6, 10 and 11, 36-year-old Andrea also worked part time as a classroom assistant at her local school. They bought their plan primarily so that they would be able to pay the mortgage if anything happened to Andrew, a self-employed carpet fitter.

"It was while I was on holiday in France with my family that I discovered a lump," Andrea says. "When I got home I was diagnosed. But it wasn't until a few months later that the financial aspect really hit us. I remember thinking 'how will we manage?' It was when our adviser reminded us that we had a protection plan that suddenly we realised we didn't have to worry."

"The £75,000 payment was wonderful," she says. "It meant that Andrew could take time off work to support me and keep family life going."

Andrea is "now firing on all cylinders" and looking forward to returning to work on reduced hours.

The family have also used some of the claim payment to do something they'd always wanted to do – buy a camper van.

"It was important for us all to have something to look forward to," says Andrea. "Rather than concentrating on the day-to-day and stagnating, we've been planning holidays and going on weekends away. Buying the van has bought us a future. Now we can start to move on."

“The payment made all the difference.”



Where can we find the money for protection?

How much do you spend on little things each month?

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

You might think you haven't got any spare cash at the moment, but how often do you spend £15 or £20 a month on things like cinema tickets, or meals out, without even thinking about it?

And yet just £15 a month could give you a lump sum of over £20,000¹ if you or your partner became seriously ill or died. And that could make all the difference.

You could use the money to cover part of the mortgage, loans and everyday bills and living expenses, leaving you to concentrate on getting better. Even just a small amount of the right protection is better than none at all.

And it's worth remembering that many plans automatically include children's critical illness cover with their critical illness cover plans. So your children would be covered if they became critically ill too.

£15
a month



Sources:

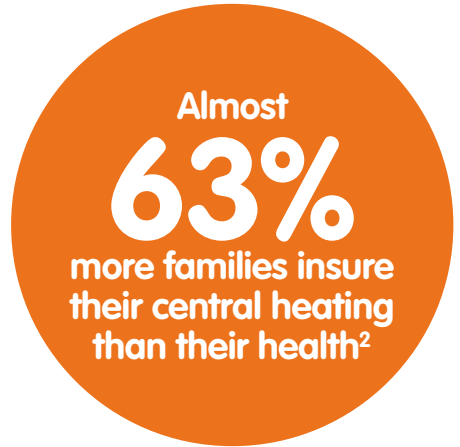
- 1 Male, 36 next birthday, female 34 next birthday, both non-smokers. Life or Critical Illness Cover, 20-year term, lump sum of £20,954.91 on guaranteed rates, payment £15 including plan charge of £2.60. Bright Grey, July 2011.
- 2 Tickbox.net, April 2010.
- 3 www.britishgas.co.uk, July 2011.

Are your possessions better insured than you are?

We worry that our luggage might go missing on holiday or that our boiler will break down, 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 for your boiler to break than to lose your home if the worst happened?

Insuring your family would only cost a few pounds more than insuring your boiler, so perhaps it might be time to rethink your insurance priorities?



Which one matters most?



Boiler
HomeCare 100,
British Gas³.

£10.50
a month³



Your family
Life or Critical Illness Cover,
Bright Grey.

£15
a month¹

We'll rely on the state

Could your family live on £81.60 a week?

If you're in regular employment and entitled to sick pay, your employer will pay you for a set length of time if you become ill. But what would happen when that income stopped?

It's tempting to think you could rely on state handouts and hope for the best.

But as you can see from the table opposite, these benefits are nowhere near enough to maintain a regular lifestyle. With the average UK household spending around £455 a week¹ many of us would need more than benefits to fall back on.

You might think you could rely on friends and family to help out, or adjust your lifestyle by cutting back.

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. Savings can run out quicker than we think, and what happens then?

Having even a small amount of protection in place would ensure that you and your family wouldn't fall behind financially while you're trying to recover.



33%

of households could not cope financially if their main income was lost.²

Sources:

¹ Office for National Statistics, figure for 2009, July 2011.

² www.creditaction.org.uk, July 2011.

Would these state benefits be enough to rely on if you died or became seriously ill?

State benefits	Money paid (weekly)	For how long
Statutory Sick Pay	£81.60	First 28 weeks
Employment and Support Allowance (assessment phase)	Up to £67.50	First 13 weeks
Employment and Support Allowance (main phase)	Up to £94.25 (Work Related Activity Group) Up to £99.85 (Support Group)	From week 14 of claim
Bereavement Payment	£2,000	One-off payment
Bereavement Allowance	£30.21 – £100.70 depending on your age	Up to 52 weeks
Widowed Parent's Allowance	£100.70 weekly maximum	Depends on circumstances

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

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

Sometimes you need more than financial protection

Emotional support as well as a cheque.

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

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 you and your family to be cared for if anything happened to you, about the type of protection you need, and how much you can afford? They'll be able to tailor a plan to suit your exact 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**