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INDEPENDENT FINANCIAL ADVISERS

More Britons insure their homes than their lives

Ensure your financial security for when you might need it most

There are a number of reasons why you might need life cover and critical illness cover. If you have dependents, then it is important to make sure that they will be financially secure if something happens to you. If you have a mortgage or other debts, then life cover can help to pay these off.

Critical illness cover can provide you with a lump sum of money if you are diagnosed with a specified serious illness, which can help to cover the cost of treatment and make sure that you and your family are financially secure.

NOT SO KEEN TO INSURE OUR OWN LIVES

But, according to new research^[1], only 32% of people in the UK have life insurance compared to 64% who have taken out an insurance policy to cover their homes. Showing that there is still some truth in the old adage 'An Englishman's home is his castle', it would seem some people place more importance on insuring their homes than their lives.

The figures reveal that whilst we're happy to protect our latest iPhone purchase (14%), our upcoming holiday from the unpredictability of COVID (21%) and our furry four-legged friends (19%), we're not so keen to insure our own lives to protect our loved ones.

RELUCTANT TO THINK ABOUT OUR OWN MORTALITY

Indeed, 66% of people aged over 35 do not have life insurance cover, and a further 84% do not have critical illness cover. Whilst 58% of people with pet insurance and 47% with mobile phone insurance

have not taken out life insurance.

It is not unusual for people to be reluctant to think about their own mortality, especially younger people in their 30s and 40s. However, it is important for people during the accumulation phase of their lives, which is generally those under 50, to think about protecting their financial journey.

TRANSFER RISK TO AN INSURANCE PROVIDER

Taking out life insurance and critical illness cover can help to transfer risk to an insurance provider. It is a way to help protect the journey towards meeting your financial goals.

Almost a fifth of the respondents (19%) who have life insurance in place said they do not have, or they are not confident that they have, sufficient life insurance to pay off their debts and provide for their dependents should the worst happen.

PROTECT YOUR FAMILY OR OTHER LOVED ONES

Less than half (45%) of those polled say their existing life insurance policy will cover their mortgage and only a quarter (24%) say it would cover their current salary. A further 15% say it will only cover the basic cost of living for their dependents, 4% realised that their current policy covers a previous salary

which is lower than their current earnings, and 20% admit they simply don't know how much their life insurance would cover.

Whether it's to protect your family or other loved ones, it is important to take professional advice and make a plan, which can be reviewed regularly, to ensure that the people that matter to you are taken care of and that your financial goals can be achieved. ■

MAKE SURE YOUR LOVED ONES ARE LOOKED AFTER, SHOULD THE WORST HAPPEN.

We're here to help you protect your loved ones today, so you don't have to worry about tomorrow. To discuss your plans or for further information, please contact us.

Source data:

[1] The research of 1,000 nationally representative UK adults was commissioned by Find Out Now in November 2021 on behalf of Brewin Dolphin.

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