A E Thomson Ltd

Independent Financial Advisers

Guide to

Financial Protection

Have you safeguarded the life you've built for yourself and your family?

September 2025

A E Thomson Ltd
62b High Street, Sutton, Ely, Cambridgeshire, CB6 2RA
T: 01353 778738 F: 01353 777898 E: enquiries@aethomson.com

www.aethomson.com

A E Thomson Ltd is authorised and regulated by the Financial Conduct Authority

Guide to Financial Protection

Have you safeguarded the life you've built for yourself and your family?

Welcome to our *'Guide to Financial Protection.'*

Life rarely follows the script we write for ourselves. While we can't predict certain curveballs, we can definitely prepare for them, and that preparation could mean the difference between financial resilience and hardship. A report has identified that 56% of the working population have experienced a life event where protection might have provided support[1].

Your hard work has created a life you value for yourself and your family. But have you considered how to safeguard it? An unforeseen illness or injury could disrupt everything, and in the worst-case scenario, how would your loved ones cope without you?

A strong financial safety net isn't just practical; it's your lifeline in times of uncertainty. Whether it's an illness, an injury or an unexpected loss, having a plan in place means you and your loved ones can face life's challenges with confidence. It's about more than just managing expenses; it's about protecting your dreams, reducing debt and maintaining the stability you've worked so hard to establish.

50% of workers said they would feel more financially resilient if they had insurance that would cover their monthly outgoings if they couldn't work[1].

51% would feel more financially resilient if they had insurance that paid a lump sum in the event of serious illness or death[1].

Financial protection serves as a shield, preserving your lifestyle, wealth and peace of mind. Whether you're purchasing your first home, expanding your family or preparing for a well-earned retirement, a financial safety net is the foundation of a secure future. It's not merely a strategy; it's a promise to yourself and your loved ones that you'll be prepared for life's uncertainties.

Don't wait for the unexpected to catch you unprepared. Take charge of your financial future today and secure the peace of mind you deserve. ■

Is it time to take charge of your financial destiny and security today?

The right protection cover doesn't just offer security; it brings peace of mind and helps you build a stable financial future for you and your loved ones. To discuss your unique needs and concerns, because your financial wellbeing is far too valuable to leave unprotected, please contact us.

Source data:

[1] LV Reaching Resilience Protection insights, powering impactful conversations – Released January 2025.

This guide is for your general information and use only and is not intended to address your particular requirements. It should not be relied upon in its entirety and shall not be deemed to be, or constitute, advice. Although endeavours have been made to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No individual or company should act upon such information without receiving appropriate professional advice after a thorough examination of their particular situation. We cannot accept responsibility for any loss as a result of acts or omissions taken in respect of any articles. Thresholds, percentage rates and tax legislation may change in subsequent Finance Acts.

Contents

02
Welcome
Have you safeguarded the life you've built for yourself and your family?

04
Safeguarding your financial future
Why does protection planning today matter more than ever?

06
Life insurance
Have you prepared for life's uncertainties to keep your family secure?

09
Protecting your legacy
Should you place your life insurance policy in an appropriate trust?

11
Life insurance options
What is a vital safety net to keep you and your loved ones financially secure?

13
Term life insurance
Is your financial plan secure and are your loved ones protected?

15
Whole-of-life insurance
Do you need to provide lifelong protection and safeguard your assets?

18
Critical illness cover
Will you require financial support when you and your family need it most?

20
Income protection insurance
How would you cope if a serious health problem left you unable to work?

22
Private medical insurance
Will you and your family receive the care you deserve when it's needed most?

25
Long-term care
Have you arranged to secure a comfortable and dignified future for yourself?

28
Securing your legacy
What steps have you taken to ensure your family's security with a Will?

30
Protecting your future
Have you considered the importance of a Lasting Power of Attorney?

Safeguarding your financial future

Why does protection planning today matter more than ever?

Discussing unexpected events can be difficult because it forces us to confront the discomfort of uncertainty about the future. However, preparing for the unexpected is crucial for maintaining financial stability and achieving long-term objectives.

While we can't shield ourselves from the emotional toll of such losses, we can protect our finances and those we care about from further damage. The ripple effects of unforeseen circumstances extend far beyond the immediate impact, often creating financial challenges that persist for months or even years.

Consider the statistics: according to recent research, 45% of working couples require both incomes to meet their monthly living costs[1]. This stark reality highlights the vulnerability many families face, despite believing they are financially secure.

Protecting those who matter most

Caring for our loved ones is an innate human instinct. We strive to ensure their wellbeing and security, but the future's unpredictability can impact our financial abilities. How would your family manage financially if you were no longer there? What if you become unable to work due to illness or injury?

Would you become a burden on your children if you need long-term nursing care? These are tough questions that many prefer to avoid, yet they reflect real concerns faced by many families. The cost of nursing home care in the UK continues to rise, averaging £80,340 per year[2].

Confronting life's inevitable challenges

Imagining a future where you can't support your family is complex, as we cannot foresee what life has in store. Although contemplating death and illness is unpleasant, we cannot ignore their inevitability. The uncomfortable truth is that even the most careful planning can be disrupted by circumstances beyond our control.

Even the most prudent savers may find their plans disrupted by unforeseen circumstances. 42% of UK households say they would only be able to survive up to three months without an income[1]. Additionally, the average UK worker has

three people who depend on their income, which demonstrates how quickly financial security can be compromised.

Power of financial protection

This is where financial protection comes into play – providing a safety net that shields your family from the economic fallout of life's unpredictable events. Financial protection isn't just insurance; it's a comprehensive strategy that encompasses various products and approaches designed to maintain your family's financial stability in the event of the unexpected.

Investing in financial protection safeguards your family's economic wellbeing during trying and distressing times. It ensures that if you were to pass away, your family could continue to make mortgage payments and maintain their accustomed standard of living. Similarly, if illness rendered you unable to work, financial protection would help cover expenses without depleting your hard-earned savings.

Building a robust safety net

Modern financial protection extends beyond traditional life insurance to encompass income protection, critical illness cover and long-term care planning. Each element serves a specific role in building a comprehensive shield against financial hardship. Income protection, for example, can typically replace up to 70% of your earnings if you're unable to work due to illness or injury.

Alarmingly, research has also shown that 42%[1] of workers have less than £10,000 in savings. Having the right protection in place acts as a safeguard, helping you stay on course to meet your financial goals even when life throws unexpected challenges. The key is understanding which types of protection are most suitable for your situation and ensuring sufficient cover levels that accurately reflect your family's real financial needs.

Keeping protection current and relevant

However, establishing the right level of financial protection is just the beginning. Conducting regular assessments is essential to ensure that your cover remains adequate. Life changes constantly – you might get married, have children, buy a larger home or change careers – and your protection needs evolve accordingly.

Life changes, and so do your circumstances. A policy that seemed comprehensive five years ago might now leave significant gaps in your cover. By evaluating your financial protection periodically, you can identify any shortfalls that may have emerged, ensuring that you remain sufficiently protected as your life evolves.

Taking responsibility for tomorrow

Taking proactive steps to safeguard your financial future is not merely a practical decision – it's an act of love and responsibility towards those who depend on you. The peace of mind that comes from knowing your family is protected cannot be quantified, yet it's invaluable in enabling you to focus on living life to the fullest.

Don't leave your financial security to chance. Embrace the unpredictability of life with confidence, knowing that you have a robust financial protection plan in place. By addressing the possibility of unforeseen events today, you are ensuring peace of mind for tomorrow and demonstrating true care for those you love most. ■

Your next steps towards financial security

Make it a priority to assess your financial protection needs and take action to fill any gaps. In doing so, you protect your family's future and empower yourself to navigate life's uncertainties with resilience and assurance. Remember, the best time to arrange financial protection is when you don't need it – because by the time you do, it may be too late.

Whether you're reviewing existing policies or establishing comprehensive cover for the first time, professional advice ensures you make informed decisions that truly protect what matters most.

> Taking proactive steps to safeguard your financial future is not merely a practical decision – it's an act of love and responsibility towards those who depend on you.

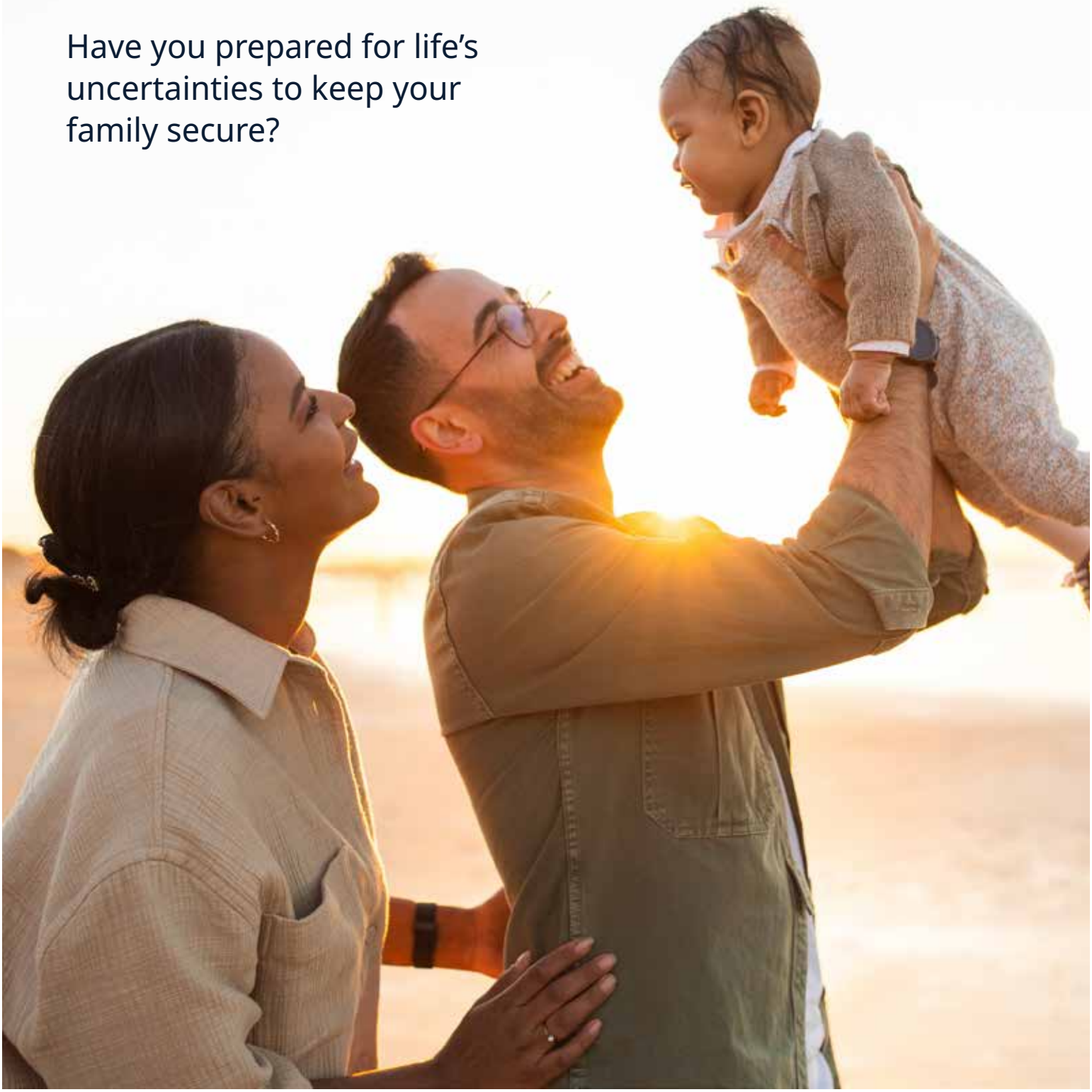
Source data:

[1] LV Reaching Resilience Protection insights, powering impactful conversations – Released January 2025.

[2] carehome.co.uk 12.08.25

Life insurance

Have you prepared for life's uncertainties to keep your family secure?



Life planning extends far beyond just building wealth – it is primarily about protecting the wellbeing of your loved ones when they need support the most. While thinking about worst-case scenarios can be uncomfortable, preparing for life's uncertainties is crucial to keep your family secure if the unthinkable were to occur.

The truth is that life is naturally unpredictable, and the financial impact of an untimely death can be severe for those remaining. Without adequate preparation, families may struggle to maintain their standard of living, settle outstanding debts or cover essential costs during a challenging period.

Understanding your protection needs

Life insurance, also known as 'life cover,' serves as an essential financial safety net to manage unforeseen situations. However, it's important to recognise that not everyone needs life insurance. The primary consideration is whether your family or other dependents rely on your income to meet living expenses, mortgage payments or other financial obligations.

If the answer is 'yes', then life insurance becomes a vital necessity. It offers both security and peace of mind, ensuring that your loved ones can continue to meet their financial needs and maintain their lifestyle even in your absence.

Types of life insurance cover

When exploring life insurance options, you'll encounter two primary types of cover, each designed to meet different needs and circumstances. Understanding these options is crucial for making an informed decision about your family's protection.

Term life insurance

Term life insurance is the simplest and most affordable form of cover. This policy offers protection for a set period, typically 10, 20 or 30 years, and pays a lump sum if you pass away during that time. It has no investment element, making it an easy choice for those wanting straightforward protection at competitive rates.

Whole-of-life protection

Whole-of-life insurance offers a different approach, providing cover throughout your entire life rather than for a specified term. This type of policy guarantees a payout to your dependents upon your passing, regardless of when that occurs. The benefit is usually tax-free, offering additional financial security that lasts indefinitely.

When selecting between these options, consider your specific circumstances, financial goals and budget constraints:

Term life insurance: Typically suits younger families or those with temporary financial obligations.

Whole-of-life insurance: These policies may appeal to individuals seeking permanent protection and potential inheritance planning benefits.

Key questions for cover planning

Making the right life insurance choice requires careful consideration of three key questions that will determine your cover needs. These questions form the foundation of any comprehensive life insurance plan and ensure your policy aligns with your family's specific requirements.

First, ask yourself: 'What do I need to protect?' This involves identifying all the financial obligations and ongoing expenses that would burden your family in your absence. Consider your family's monthly living costs, outstanding debts such as your mortgage and future financial commitments that would remain even after your passing.

Determining adequate cover amounts

The second important question is: 'How much cover do I need?' This calculation should include not only immediate debts and expenses but also longer-term financial requirements. Consider your family's annual living expenses, education fees for children and the number of years your dependents will require financial support to maintain their current lifestyle.

Finally, consider: 'How long will I need the cover?' Your answer will influence whether term or whole-of-life insurance better suits your needs. Young families might prioritise cover until children become financially independent, while others may prefer permanent protection that lasts throughout their lifetime.

Factors influencing insurance costs

Several key factors influence the cost of your life insurance premiums and understanding them can help you make better decisions about your cover. Insurance providers evaluate risk based on various personal traits and lifestyle choices that affect your chances of making a claim during the policy's duration.

Your age is one of the key cost drivers, with premiums generally rising as you get older. Health status also plays an important part – insurance providers often need medical exams or health questionnaires to evaluate your current wellbeing and potential risk factors that could influence your life expectancy.

Lifestyle impacts on premiums

Lifestyle choices, particularly smoking habits, significantly impact premium costs. Smokers generally pay much higher premiums than non-smokers because of the increased health risks linked to tobacco use. Some insurers also take into account other lifestyle factors such as alcohol consumption, dangerous hobbies or high-risk jobs.

The level of cover and policy length you choose directly affect your premiums. Higher cover amounts naturally lead to higher premiums, while longer-term policies may provide better value but demand a longer commitment. Understanding these relationships helps you strike a balance between adequate protection and affordable premium costs.

Calculating your cover requirements

Determining the right level of life insurance cover involves a systematic process of evaluating your family's financial requirements. Begin by calculating your outstanding debts, including your mortgage balance, personal loans, credit card debts and any other financial commitments that would need to be settled upon your death.

Next, estimate your family's annual living costs, including housing, utilities, groceries, healthcare, transport and other essential

expenses. Consider how these costs may change after your passing – some might decrease, while others like childcare could increase significantly.

Planning for future financial needs

Beyond immediate expenses, consider future financial needs that your family will face. Education costs are a major factor, especially if you have young children who will require funding for school fees, university tuition or vocational training in the years to come.

Consider significant life events that may occur after your passing, such as weddings, home purchases or business ventures your dependents might undertake. Income replacement calculations should determine how many years of your current income your family would need to sustain their lifestyle, usually ranging from five to ten times your annual salary.

Additional cover considerations

Your life insurance planning shouldn't happen in isolation – it's vital to consider existing cover and benefits that might already offer some protection for your family. Many employers include group life insurance as part of their benefits package.

Company pension schemes may also include death benefits that offer additional financial support to your dependents. Review these existing arrangements carefully to understand the cover they provide and whether they are adequate for your family's needs, or if you require additional personal life insurance.

State benefits and inflation factors

Don't overlook the support available through state benefits, which may offer some financial assistance to your surviving spouse and children. However, these benefits are usually modest and should not be relied upon as the main source of financial support for your family.

Inflation is another important factor that many people overlook when determining cover amounts. The value of your insurance benefit will diminish over time, so consider whether your policy includes inflation protection. If it does not, you may need to regularly review and adjust your level of cover to ensure adequate protection.

Making informed insurance decisions

Professional financial advice is invaluable when navigating the complexities of life insurance planning. We can help evaluate your specific circumstances, explain various policy options and recommend cover amounts that suit your family's needs and your budget.

Regular policy reviews ensure your cover remains appropriate as your circumstances change. Marriage, divorce, the birth of children, job changes or significant increases or decreases in income all warrant a reassessment of your life insurance needs to ensure continued adequate protection. ■

Securing your family's financial future

Life insurance is more than just a financial product – it's a symbol of love and responsibility towards those most important to you. By taking proactive steps to evaluate and secure suitable cover, you provide priceless peace of mind for both yourself and your family.

The peace of mind that comes from knowing your loved ones will be financially secure, regardless of what the future holds, is immeasurable. Don't leave your family's financial security to chance; make these important decisions today.

> Don't overlook the support available through state benefits, which may offer some financial assistance to your surviving spouse and children.

Protecting your legacy

Should you place your life insurance policy in an appropriate trust?

Planning our financial futures can seem daunting, especially when considering how to protect our family's financial security after we're gone. However, this remains one of the most important considerations for any household. If appropriate, one strategic approach is to place your life insurance policy within a suitable trust structure.

When properly implemented, it can change how your policy benefits are passed on to your loved ones, offering both immediate and long-term advantages that many policyholders are unaware of.

Streamlining the inheritance process

By placing your life insurance policy in an appropriate trust, you can avoid the often lengthy and stressful probate process entirely. This allows your beneficiaries to access funds much more quickly when they need them most. Instead of waiting months or even years for probate to be concluded, trust arrangements typically enable distribution within weeks of a valid claim.

The probate process can be particularly challenging for families during a difficult time. Court proceedings, legal fees and delays can increase your stress when loved ones are grieving. A well-organised fund removes these problems, allowing your family to concentrate on what truly matters while providing immediate access to financial support.

Maximising tax efficiency

One of the main benefits of placing life insurance policies within a suitable trust is related to Inheritance Tax planning. When set up correctly, trust arrangements can help your beneficiaries avoid or significantly reduce Inheritance Tax on policy payouts. This ensures that a larger portion of your policy's value reaches your intended recipients rather than being lost to taxes.

Current Inheritance Tax rates can reach up to 40% on estates (for the tax year 2025/26) that exceed the 'nil rate band', making tax planning essential for many families. The standard nil rate band is currently £325,000. This threshold remains frozen up to and including the 2029/30 period. If your estate's value is below this threshold, no Inheritance Tax is payable. Any amount above £325,000 may be taxed at a rate of 40%.

Additional allowances include transfers to a spouse or civil partner, which are exempt from Inheritance Tax. Additionally, any unused part of the £325,000 threshold can be transferred to your surviving spouse or registered civil partner, effectively increasing their IHT-free allowance to £650,000.

If you pass on your main residence to direct descendants (e.g. children or grandchildren), you may qualify for an additional allowance called the 'residence nil

rate band,' which is £175,000. This increases your total potential IHT-free threshold to £500,000 (or £1 million for married couples and registered civil partners).

Transferring life insurance proceeds into a trust to exclude them from your estate effectively protects these funds from Inheritance Tax, potentially saving your beneficiaries a considerable amount of money.

Enhanced control and flexibility

A discretionary trust arrangement offers significant control over how and when policy proceeds are distributed to your beneficiaries. You can set specific conditions, timelines and distribution criteria that align with your values and intentions. This level of control ensures your wishes are respected, even when you're no longer there to manage them.

The flexibility inherent in trust structures allows them to adapt to changing family circumstances. Whether your beneficiaries face unexpected challenges, achieve significant milestones or require different levels of support over time, properly drafted trusts can accommodate these evolving needs whilst maintaining the integrity of your original intentions.

Protection from external claims

Assets held within trust structures usually benefit from protection against creditors and other external claims. This means that policy payouts are more likely to reach your intended beneficiaries without being diverted to settle debts or legal judgements. For families worried about financial vulnerabilities, this protection can offer valuable peace of mind.

This creditor protection goes beyond obvious situations. It can safeguard benefits from divorce settlements, bankruptcy proceedings and other legal issues that could otherwise threaten your family's financial security. The trust serves as a protective barrier, ensuring your carefully planned financial legacy stays intact.

Adapting to modern needs

Today's trust structures provide exceptional flexibility, allowing them to be customised to suit your specific family circumstances and financial goals. Whether you're planning to support children through university, provide for a spouse's retirement or ensure long-term care for dependents with special needs, trusts can be tailored to meet these diverse needs.

Modern trust drafting also recognises that family situations change over time. Flexible trust deeds can adapt to shifts in family structure, beneficiary requirements and financial conditions without needing a complete overhaul. This flexibility makes trusts a resilient part of modern financial planning strategies. ■

Professional guidance essential

Given the complexity and potential benefits of trust arrangements, professional advice is crucial for anyone considering this approach. The rules governing trusts, Inheritance Tax and life insurance interact in sophisticated ways that require expert navigation. Working with qualified financial advisers and legal professionals ensures your trust structure achieves its intended objectives whilst remaining compliant with current legislation.

The investment in professional advice typically pays for itself many times over through improved tax efficiency, enhanced protection and more effective wealth transfer. Consider it an essential component of responsible financial planning rather than an optional extra. Levels, bases and reliefs from taxation may be subject to change.

Life insurance options

What is a vital safety net to keep you and your loved ones financially secure?

Securing peace of mind through life insurance has become more than just a financial choice; it's a fundamental act of caring for those who matter most. Life insurance serves as a crucial safety net, ensuring that you and your loved ones remain financially protected in the event of an unforeseen circumstance.

The appeal of life insurance lies in its straightforwardness and efficiency. When a valid claim is submitted, beneficiaries receive a tax-free lump sum that provides vital financial support during what are often the most difficult times. This reassurance enables families to focus on healing and moving forward, rather than worrying about immediate financial burdens such as mortgage payments, daily expenses or their children's education costs.

Understanding your policy options

With different life insurance options available today, selecting the right policy can initially seem overwhelming. However, understanding the key differences between these choices is crucial for making an informed decision that genuinely meets your family's needs.

The basis of any life insurance decision depends on knowing whether you require individual or joint cover. This decision will significantly impact your premiums and the level of protection your family receives.

Single life versus joint life policies

At the core of life insurance choices lies the essential decision between single and joint life policies. A single life policy is designed to cover one individual exclusively, offering benefits solely upon their death. This clear and straightforward approach provides clarity and simplicity, making it ideal for those who prefer independent financial planning.

In contrast, a joint life policy insures two people, typically spouses or registered civil partners, under a single insurance contract. However, there's an important caveat: the sum assured is paid when the first policyholder dies, and then the policy ends entirely if this is how the plan is set up. This means the surviving partner has no life cover unless they organise alternative protection.

First death versus second death cover

When considering joint life policies, you'll encounter two distinct options that serve very different purposes. 'First death' policies pay out when the first partner dies, providing immediate financial support for the survivor. This arrangement is particularly valuable when both partners contribute significantly to household income or when there are dependent children to consider.

'Second death' policies, on the other hand, only pay out after both partners have died. These policies primarily serve as part of Inheritance Tax planning, ensuring that assets can be transferred to the next generation without significant tax burdens. Recognising this difference is vital, as it directly influences both the policy's cost and its practical use.

Key factors in your decision-making process

Several key factors should guide your decision between single and joint life insurance policies. Affordability often stands out as a key consideration, particularly for young couples or families with limited financial resources. Joint life policies are often more economical than buying two separate single policies, with potential savings on overall premiums.

Nevertheless, cost should not be your

sole consideration. It is crucial to assess whether both individuals genuinely need identical levels of life insurance cover. If one partner earns significantly more than the other, or if their financial obligations vary substantially, separate policies with different cover levels may offer more suitable protection.

Workplace benefits and existing cover

Before committing to any life insurance policy, conduct a thorough review of existing benefits and cover. Many employers provide 'death in service' benefits. If one partner already has comprehensive workplace cover, purchasing additional individual life insurance for the uncovered partner may be more practical than investing in a joint policy.

Similarly, review any existing insurance policies, savings or investments that could offer financial support in the event of death. Creating a comprehensive view of your current financial safety net helps ensure you neither over-insure nor leave dangerous gaps in cover.

Health considerations and premium implications

The health status of all parties greatly impacts policy availability and premium costs. Insurance providers assess risk based on an individual's medical history, lifestyle choices and current health conditions. In a joint life policy, the health of both individuals influences the overall premium calculation.

If one partner has health issues that would typically lead to higher premiums, including them in a joint policy could raise costs for both. In such cases, it may be more economical to take out separate policies, allowing the healthier person to benefit from lower premiums while ensuring the less healthy partner still receives the cover they need.

Making the right choice for your family

Choosing between single and joint life insurance policies requires careful consideration of your individual circumstances, financial aims and family setup. There is no universally correct answer; the right choice depends on your specific situation and priorities.

We can assess your individual needs, review your existing cover and help model different scenarios. We'll provide personalised recommendations based on your income, dependents, debts and long-term financial objectives. ■

Securing your financial future

Whether you choose single or joint cover, the aim remains the same: providing security and peace of mind for yourself and your loved ones, ensuring your family's financial wellbeing remains protected regardless of what the future may bring.

The reassurance that comes from knowing your family will be financially cared for in your absence is invaluable. By making an informed decision about life insurance today, you're taking a crucial step towards securing your family's tomorrow.

Term life insurance

Is your financial plan secure and are your loved ones protected?

When it comes to financial planning, term life insurance is one of the most straightforward yet vital forms of protection for families. This insurance offers cover for a set period, called the 'term', providing significant value in protecting your dependents' financial security with a lump sum payment if the worst happens.

The appeal of term life insurance lies in its simplicity and flexibility. However, recognising the different types available is crucial for selecting the right policy to meet your family's specific needs. Each option offers distinct benefits, making it essential to select one that aligns with your financial situation and future goals.

Choosing the right cover

Choosing an appropriate term life insurance policy requires two key decisions: selecting the desired amount of cover and determining the length of the term. This type of life insurance is specifically designed to offer financial protection during the specified period. Should you pass away within this timeframe, your beneficiaries will receive the full policy payout.

However, it's important to recognise that if you outlive the term, the policy expires without any payout, and the premiums you've paid are not refunded. This emphasises the need to carefully consider your family's individual circumstances and future needs when choosing a term life policy.

Level-term insurance: stability and predictability

Level-term life insurance policies provide consistent cover throughout the entire term, with the sum assured remaining the same from start to finish. This stability makes it a great choice for family protection, ensuring your loved ones receive a substantial benefit to support their financial security in the event of tragedy.

These policies are especially suitable for covering specific debts over a fixed period, such as interest-only mortgages not protected by endowment policies. The uniformity in both cover amount and premiums provides greater predictability to your financial planning, enabling you to budget effectively while maintaining peace of mind.

Decreasing-term policies: cost-effective debt cover

Unlike level-term policies, decreasing-term insurance gradually reduces the cover amount throughout the policy period. These policies are ideal for covering debts that naturally decrease over time, such as repayment mortgages, where the outstanding balance diminishes with each monthly payment.

Because the insured amount decreases over time, premiums are generally more affordable than level-term cover, making this option accessible to a wider range of families. Additionally, decreasing-term policies can be strategically used for Inheritance Tax planning, offering a cost-effective way to manage potential liabilities. However, this approach is typically only effective when the policy is intended to cover specific gifts or when the value of the estate is expected to diminish over time—such as through planned gifting or asset depletion—thereby aligning the decreasing cover with the reducing tax liability.

Family income benefit: ongoing financial support

A specialised form of decreasing-term insurance, family income benefit life insurance adopts a different approach by not providing the traditional lump sum payout. Instead, this type of policy offers your beneficiaries a regular income that continues until the specified term ends.

This approach guarantees ongoing financial support for your family, usually providing an amount comparable to your

net income. Such regular payments can be essential in maintaining your family's standard of living in your absence, providing stability during an emotionally and financially difficult period while giving them time to adapt to their new circumstances.

Increasing-term insurance: inflation protection

Unlike the static nature of level-term insurance, increasing-term policies feature both premiums and cover amounts that rise throughout the policy period. This type of policy is specifically designed to keep pace with inflation or accommodate growing debts and financial commitments.

Opting for increasing-term insurance helps safeguard your policy's purchasing power from inflation's negative effects. This guarantees that the sum assured stays relevant and valuable as living costs and financial commitments grow, preserving the policy's effectiveness over time.

Making the right choice

When choosing a term life insurance policy, it is important to carefully consider your current financial commitments, future goals and the specific needs of your dependants. Each type of term life insurance provides different benefits and factors to think about, from the comforting certainty of level-term policies to the strategic affordability of decreasing-term options.

The key is matching the policy type to your circumstances. Young families with large mortgages might benefit from decreasing-term cover, while those with stable financial commitments may prefer the certainty of level-term insurance. Those concerned about inflation's impact on their family's future might find increasing-term policies more suitable. ■

When choosing a term life insurance policy, it is important to carefully consider your current financial commitments, future goals, and the specific needs of your dependants.

A cornerstone of financial planning

Term life insurance is a flexible and, depending on circumstances, an essential part of comprehensive financial planning, offering peace of mind in various forms tailored to your specific needs. Whether you're aiming to settle outstanding debts, ensure ongoing income replacement or protect against the effects of inflation, term life insurance provides solutions designed to secure your family's future and financial wellbeing.

The significance of professional guidance is crucial when exploring these options. Taking the time to understand these differences and seeking professional advice will ensure you select a policy that not only safeguards your loved ones financially but also fits well with your overall financial plan.

Whole-of-life insurance

Do you need to provide lifelong protection and safeguard your assets?

When considering life insurance options, whole-of-life insurance provides the most comprehensive financial protection available. Unlike term insurance policies that cover a fixed period, whole-of-life insurance guarantees that a predetermined sum assured will be paid to your beneficiaries upon your death, regardless of when that occurs during your lifetime.

This type of policy is particularly appealing to individuals who want to leave a lasting legacy for their families, make strategic arrangements for potential Inheritance Tax liabilities or ensure their business operations can continue smoothly after they are no longer around. The certainty of a guaranteed payout makes whole-of-life insurance a vital component of long-term financial planning and estate management.

Mathematical certainty

Given the guaranteed nature of the payout, whole-of-life policies generally have higher premiums than their term insurance counterparts. This increased cost reflects the mathematical certainty that the insurance company will eventually need to pay the death benefit if the policyholder continues paying lifelong premiums, making it a more significant financial commitment for policyholders.

However, this higher premium should be regarded as an investment in guaranteed financial security rather than merely an insurance expense. The peace of mind arising from knowing your beneficiaries will receive a fixed sum, regardless of market conditions or timing, often justifies the extra cost for many policyholders.

Addressing Inheritance Tax obligations

One of the key benefits of whole-of-life insurance is its ability to effectively manage potential Inheritance Tax liabilities. Current UK Inheritance Tax rates can significantly reduce the value of estates passed to beneficiaries, emphasising the importance of strategic planning to preserve wealth across generations.

By establishing a comprehensive lifetime policy specifically intended to cover expected tax obligations, you can ensure that a larger share of your estate goes to your intended beneficiaries. This method requires precise calculation of potential tax liabilities and proper structuring of the insurance plan to maximise its effectiveness.

Trust arrangements and professional guidance

To maximise the Inheritance Tax benefits of whole-of-life insurance, it's important to have your policy placed within an appropriate trust structure. This detailed aspect of estate planning removes the policy proceeds from your taxable estate, potentially saving thousands of pounds in tax liabilities for your beneficiaries.

Trust arrangements require professional financial advice due to their complex legal intricacies and numerous options available. Working with a qualified adviser ensures that your trust is established correctly, is legally compliant and aligns with your estate planning objectives. The initial investment in professional guidance can lead to substantial tax savings and peace of mind.

Policy types and features

Whole-of-life insurance encompasses various policy types, each with unique features and benefits tailored to different financial situations and objectives. Understanding these options helps you choose the most suitable cover for your specific needs and budget limits.

The policy sum assured proceeds are the simplest choice, guaranteeing a fixed amount upon death and ensuring certainty about the payout your beneficiaries will receive. This transparency simplifies financial planning and enables accurate estate planning calculations.

Investment-linked options

Some providers offer more advanced policies that include investment elements, creating opportunities for policy values to increase over time. These investment-linked policies may have guaranteed premiums, with-profit arrangements that grant bonuses based on the insurer's investment performance or variable premiums tied to investment returns.

The investment element can potentially lower the overall cost of maintaining your policy over time, as strong investment performance may offset some premium costs. However, these policies require careful monitoring and can involve additional complexity in understanding how investment performance influences your cover.

Premium payment structures

Whole-of-life policies offer flexibility in premium payment options to accommodate various financial situations and preferences. Some policies require premium payments throughout your entire lifetime, ensuring continuous cover but demanding ongoing financial commitment until death.

Alternatively, other policies become 'paid up' at a specified age, typically between 65 and 75, after which no further premiums are required while maintaining full cover. This arrangement can provide significant financial relief during retirement years when income may be reduced, making it an attractive option for many policyholders.

Policy reviews and adjustments

Unless your policy includes guaranteed benefits, most whole-of-life insurance policies undergo regular reviews, usually starting after the initial ten-year period. These reviews assess the policy's

performance and determine whether current premium levels can sustain the existing cover.

If the review shows that your current protection level can be maintained with existing premiums, your cover will generally be guaranteed until the next scheduled review. This provides certainty and continuity in your financial planning, enabling you to rely on consistent protection levels.

Managing review outcomes

When policy reviews show that maintaining current cover levels isn't achievable with existing premiums, you'll need to make important decisions about your next steps. The most common options include increasing your premium payments to maintain full cover or accepting a lower level of protection while keeping your premium payments unchanged.

These decisions require careful consideration of your current financial situation, future income prospects and the significance of maintaining certain cover levels for your beneficiaries. Working with your adviser during review periods helps ensure you make informed choices that match your changing needs and circumstances.

Cover level options

Whole-of-life policies typically offer various ways to balance cover levels with premium costs. Maximum cover arrangements offer the highest initial protection at lower premiums, making substantial cover more accessible; however, they may require higher premiums later on.

Standard cover options balance life insurance protection with investment components designed to support the policy's sustainability throughout your lifetime. This approach often provides more predictable long-term costs while maintaining reasonable protection levels, making it suitable for those seeking a balance between cover and affordability.

Aligning with financial goals

Your whole-of-life insurance policy should seamlessly integrate with your broader financial objectives and personal circumstances. The policy should provide genuine peace of mind and comprehensive protection throughout your entire life, ensuring you can support your family's future needs and preserve your wealth regardless of future uncertainties.

Effective whole-of-life insurance planning requires an honest assessment of your financial goals, family circumstances, business interests and legacy ambitions. This comprehensive approach ensures your policy genuinely aligns with your long-term objectives rather than merely fulfilling a perceived insurance obligation.

Strategic financial planning

Whole-of-life insurance extends beyond traditional insurance concepts, serving as a comprehensive long-term plan for comprehensive financial security and legacy protection. When carefully arranged and managed, these policies offer certainty in an uncertain world, ensuring your financial values and family priorities are upheld after your death.

The strategic importance of whole-of-life insurance goes beyond just providing a death benefit. These policies can act as vital foundations for estate planning, business succession, charitable giving and multi-generational wealth transfer goals, making them adaptable tools for thorough financial planning. ■

Making the right choice

Choosing an appropriate whole-of-life insurance policy requires careful consideration of various factors, including your current financial situation, future income expectations, family circumstances and long-term objectives. The right policy will provide lifelong protection and genuine peace of mind while supporting your ability to care for your family and safeguard your assets.

Whether your main concern is securing your family's financial future, managing potential Inheritance Tax liabilities or safeguarding business interests for ongoing continuity, whole-of-life insurance provides flexible solutions tailored to your specific and long-term needs. The key is to align policy features with your individual circumstances and goals.

Critical illness cover

Will you require financial support when you and your family need it most?

In a world that is becoming more unpredictable, critical illness cover remains one of the most vital yet often overlooked safety nets available. This essential protection provides a lifeline when circumstances change unexpectedly, offering vital financial support exactly when you and your family need it most.

Adding critical illness cover to your insurance portfolio isn't just about preparing for the worst; it's about gaining control over your financial future. While many people believe that serious illness only affects others, the harsh reality is that critical conditions can affect anyone, at any age, often without warning.

Burden of financial responsibilities

The financial impact of a critical illness goes well beyond medical expenses. When facing a serious condition, many people find themselves unable to work for long periods, with some never returning to their previous employment level. The growing burden of ongoing financial responsibilities – mortgage payments, household bills and daily costs – can turn an already difficult situation into an overwhelming crisis.

Critical illness cover bridges this gap by offering a tax-free lump sum payment upon diagnosis of specified conditions. This financial support enables you to focus fully on what matters most: your recovery and quality time with loved ones, without the constant concern of growing debts and unpaid bills.of growing debts and unpaid bills.

What conditions are typically covered?

Standard critical illness policies usually cover major life-threatening conditions like heart attacks, strokes, certain types of cancer and multiple sclerosis. However, more comprehensive policies extend cover to include conditions such as loss of sight, permanent hearing loss, total and permanent disability preventing employment and even loss of limbs.

Each policy clearly states which specific illnesses are covered, along with any exclusions and limitations that may apply. These details can vary greatly between insurers, making it essential to understand exactly what protection you're buying before committing to a policy.

Choosing the right policy for your circumstances

For single individuals without dependants, critical illness cover can offer essential financial support to clear mortgages or provide a substantial lump sum during recovery. The reassurance this offers cannot be underestimated, knowing that a serious diagnosis won't lead to the loss of your home or your financial independence.

> Almost a quarter of parents of young children felt they wouldn't cope financially if they were to be diagnosed with a critical illness. 35% are worried about their own and their families' financial security[1].

Couples and families equally benefit from financial relief during inevitably distressing times. The monetary support gives families the flexibility to adjust to new circumstances without the added worry of how bills will be covered or whether lifestyle changes will be needed.

Important policy considerations

Most critical illness policies pay out only once and should not be regarded as income replacement. Instead, they offer a one-off financial boost aimed at helping to cover the immediate and ongoing costs linked to serious illness. Some insurers provide combined life and critical illness policies that pay out upon either diagnosis of a specified condition or death, whichever occurs first.

When considering replacing an existing policy, exercise extreme caution. If you've developed any health conditions since obtaining your original policy, you may lose valuable benefits or discover that pre-existing conditions are not covered under a new policy. Seeking professional financial advice is crucial before making any changes to your existing cover.

Flexibility and policy enhancements

Many policies offer the flexibility to increase cover following major life events, such as marriage, moving house or having children. If your current policy does not allow for increased cover, you may want to consider purchasing a supplementary policy to enhance your overall protection.

It's important to recognise that policies only cover conditions explicitly specified in the policy document. Your diagnosed condition must exactly match the policy's definition, which can exclude certain conditions or diagnoses made after a certain age. For instance, Alzheimer's disease is generally not covered if diagnosed after age 60.overed if diagnosed after age 60.

Understanding survival periods and costs

Most critical illness policies include a 'survival period' requirement, meaning you must survive for a specified period after diagnosis before the policy pays out. If death occurs within this period, no payment is made despite meeting the critical illness definition – although life insurance elements of combined policies would still usually apply.

Various factors influence premium costs, including the type of policy chosen, your age, desired payout amount and lifestyle factors such as smoking habits. Most policies also include permanent total disability cover, typically defined as an inability to work in your usual occupation or to independently perform at least three 'Activities of Daily Living' due to illness or injury.

Modern medical landscape

Medical advances have significantly improved survival rates for conditions that once had much higher mortality. Critical illness cover recognises this, providing financial support that can fund a less demanding lifestyle during recovery, enable home modifications or simply give the financial freedom to focus on getting better rather than earning money.

This development in medical outcomes makes critical illness cover increasingly important. Surviving a serious condition is now more probable than ever, but the financial impact of living with and recovering from such conditions remains substantial. ■

Source data:

[1] LV Reaching Resilience Protection insights, powering impactful conversations - Released January 2025.

Making the right decision for your future

Critical illness cover is a vital part of any comprehensive financial planning. Including this protection in your financial strategy helps safeguard you and your loved ones against events that, while unlikely, are still statistically possible.

The peace of mind that comes from knowing you're prepared for life's uncertainties is priceless. Instead of leaving your financial wellbeing to chance, critical illness cover ensures you can focus on recovery and preserving your quality of life when it matters most.

Income protection insurance

How would you cope if a serious health problem left you unable to work?

When life presents unforeseen challenges such as serious illness or injury, the emotional and financial effects can be overwhelming. The truth is that most of us are just one major health crisis away from potential financial difficulties, yet few people make sufficient plans for this possibility.

Although it's never pleasant to think about misfortune, it is important to consider how you would cope if a serious health problem left you unable to work. Would your savings or your employer's sick pay be sufficient to support you and your family during a long period of illness? If this thought causes concern, it is wise to explore income protection insurance as a practical way to cover your expenses in such challenging times.

Understanding the fundamentals

Income protection insurance acts as a long-term financial safety net, offering monthly payments if you are unable to work due to illness or injury. This comprehensive cover usually continues until you can return to work, retire, pass away or reach the end of the policy period, whichever occurs first.

The appeal of this type of insurance is its flexibility. To customise the policy to your specific financial needs, you can decide when payments start, usually after sick pay ends or other insurance cover stops. Choosing a longer waiting period can result in lower monthly premiums, offering valuable flexibility based on your current financial circumstances and benefits.

Comprehensive cover for all circumstances

This insurance covers a wide range of illnesses and disabilities, both short-term and long-term, ensuring you remain protected regardless of the type of incapacity. Whether you're dealing with a temporary injury that keeps you off work for a few months or a chronic condition that impacts your ability to earn over time, income protection can provide the support you need.

As long as your policy remains active, you can make multiple claims throughout the policy term, ensuring continuous financial support during various recovery journeys. This feature distinguishes income protection from many other insurance products that may only offer one-off payments or have limited claim opportunities.

Bridging the gap in workplace benefits

While some fortunate employees benefit from generous workplace sickness benefits that last until their planned retirement, many others rely on minimal Statutory Sick Pay (SSP) or state assistance, which can be severely inadequate. If you are eligible, the harsh reality is that statutory sick pay currently provides £118.75 a week for up to 28 weeks (2025/26). You will receive SSP for all the days you are off sick that you would normally have worked, except for the first three.

You'll only receive SSP for the first three working days you are off sick if you have received SSP within the last eight weeks. This must have included a three-day waiting period before you were paid SSP, which is hardly enough to support most households.

Income protection insurance fills this crucial gap by providing a tax-free monthly income until retirement if you're unable to work because of long-term illness or injury. This prevents financial stress from forcing you to dip into savings or incur debt during a difficult period.

Maintaining your standard of living

Income protection insurance aims to restore your financial situation to its pre-illness level without generating unnecessary profit. The maximum cover amount is typically calculated based on your after-tax earnings, minus any relevant state benefits, to ensure the cover remains fair and appropriate.

This careful organisation helps to preserve your established standard of living even during the toughest times. Instead of facing a significant drop in income that could impact your family's quality of life, you can concentrate on recovery knowing that your financial commitments are still being met.

Tailored solutions for the self-employed

For self-employed individuals, the stakes are often even higher; no work frequently means no income at all. Unlike employees who might have some form of workplace benefits, the self-employed face immediate financial pressure when unable to work.

Income protection insurance can be tailored specifically to reflect the fluctuating income patterns common among self-employed professionals. Some policies determine cover by averaging earnings over the past three years, ensuring that self-employed individuals get suitable support during their recovery and offering a vital safety net when traditional employment benefits are not available.

Understanding premium costs and risk factors

Premium costs vary based on personal factors such as gender, occupation, age, health status and smoking habits. Insurers carefully evaluate these elements to determine your risk profile and the likelihood of successful claims.

Crucially, insurers use an 'occupation class' system to assess policyholders' actual ability to return to work. Understanding these classifications is essential when choosing cover, as they directly affect both your premiums and the conditions under which you can make successful claims.

Choosing the right cover level

The type of cover you choose can significantly impact your level of protection. If a policy only provides payouts for those unable to work in 'Any Occupation', benefits may be limited or possibly not paid at all, as insurers might claim you can undertake alternative work.

More comprehensive options include 'Own Occupation' or 'Suited Occupation' cover. The latter allows claims if you cannot perform your specific job role, while the former offers the broadest protection, requiring that you be unable to perform any job without considering whether equivalent earnings could be achieved elsewhere.

Level versus inflation-linked protection

When selecting your cover, you can choose between level cover or inflation-linked protection, each offering unique benefits. Level cover provides a fixed monthly income, set at the start of your plan, with no future adjustments for changing economic conditions.

However, rising inflation could significantly reduce the purchasing power of your monthly income over time, especially during long-term claims. Inflation-linked cover addresses this issue by increasing the monthly income in line with the Retail Prices Index (RPI) if a claim is made, safeguarding your benefits against the damaging effects of inflation.

Premium structure options

When arranging cover, you usually have two main premium structure options to consider. Guaranteed premiums stay the same throughout your plan's duration, offering predictable costs that help with budgeting.

If you choose inflation-linked cover with guaranteed premiums, both your premiums and cover will automatically increase each year based on RPI. Alternatively, reviewable premiums may vary over time, typically remaining steady for the first five years but potentially changing thereafter, with any adjustments remaining fixed for 12-month periods.

Managing waiting periods and claims

The waiting period after making a claim varies according to the specific terms of your policy. Choosing a longer waiting period lowers your premiums but means you'll wait longer after becoming unable to work before receiving policy payments.

It is essential to remember that premiums must be paid continuously throughout the entire duration of the plan, including the waiting period. This ongoing commitment ensures your cover stays active and ready to support you when you need it most.

Navigating state benefits integration

Your specific circumstances can greatly influence how plan payments interact with any state benefits you're entitled to receive. The connection between private insurance payouts and state support can be complex, potentially affecting both your cover levels and benefit entitlements.

As the insurance market continues to develop, new innovative products are frequently introduced, each adopting different methods for integrating state benefits. Professional financial advice is crucial in understanding how your chosen policy may affect your state benefits and overall financial situation. ■

Making an informed decision

Income protection insurance provides a dependable and highly adaptable solution for safeguarding financial wellbeing during recovery from illness or injury. Whether you're employed or self-employed, this type of insurance offers invaluable peace of mind and financial security exactly when you need it most.

Income protection insurance is more than just a policy; it's a proactive move to secure financial stability against life's inevitable uncertainties. By understanding and choosing suitable cover you ensure that both you and your loved ones remain financially protected, allowing you to focus fully on recovery and maintaining your quality of life.

Private medical insurance

Will you and your family receive the care you deserve when it’s needed most?

In today's demanding environment, when life presents unexpected health challenges, obtaining a swift diagnosis and treatment, along with genuine assistance and support, becomes absolutely essential. Your wellbeing and that of your family are of the highest priority.

Private medical insurance offers a reliable solution, providing reassurance and control during challenging times by granting access to private healthcare for conditions that arise after your policy begins. This comprehensive cover ensures you receive the care you need when it matters most.

Swift access to medical care

One of the key advantages of private medical insurance is quicker access to treatment. Although the NHS provides essential services to all UK residents, private health cover lets you decide when, how and where you receive care.

This control leads to faster access to diagnoses, treatments, aftercare and the comfort of a private en-suite room. It offers the care you need without the long waiting times that can add stress and anxiety during already difficult times.

Reducing uncertainty and stress

With almost immediate diagnosis and treatment available through private cover, you can significantly reduce the stress of uncertainty and focus fully on achieving a quicker recovery. The psychological advantages of knowing you can access prompt medical attention cannot be overstated.

As more health professionals expect declining patient care standards and longer waiting times within the public sector, many people are opting for private healthcare for the extra peace of mind it offers. This proactive approach to health management is a wise investment in your future wellbeing.

Making the investment decision

If private medical insurance isn't included in your employee benefits package and you can comfortably afford the premiums, it is a worthwhile investment for greater control over your healthcare journey. The financial commitment is often modest compared to the potential benefits.

Although most people are entitled to free healthcare through the NHS, many opt for private health insurance to avoid lengthy waiting times. This option ensures immediate treatment when time is of the essence, particularly for conditions that require urgent care.

Understanding cover options

Health insurance covers all or a significant part of your medical expenses when you opt for private treatment, providing flexibility in both the quality and timing of care. This flexibility is especially valuable when managing serious health conditions.

Although private medical insurance isn't compulsory, affording private treatment without adequate cover can be difficult, especially for serious conditions requiring costly treatments or long hospital stays. The financial protection alone makes the investment worthwhile for many families.

Access to advanced treatments

Private medical insurance may also grant access to the latest medicines and treatments approved by the National Institute for Health and Care Excellence (NICE), which are not regularly available through NHS channels. This access can be vital for certain conditions that require the most advanced therapies.

However, it is important to note that outpatient medications are usually excluded from standard private medical insurance policies. Recognising these limitations helps set realistic expectations about your cover.

Core cover features

Private medical insurance provides various cover options tailored to the specific policy you choose. Essentially, basic private medical insurance usually covers inpatient treatments, including comprehensive tests and surgical procedures, as well as daycare surgery procedures.

Some policies also cover outpatient treatments, including specialist consultations with leading experts in their fields. Additionally, policies may include mental health support, depression treatment and sports injury care, although these are not always standard features and should be verified when selecting your policy.

Standard benefits included

Typical cover features include hospital admission costs, ensuring you are not burdened with unexpected expenses during treatment. Diagnostic tests such as MRI and CT scans are usually covered, providing access to cutting-edge imaging technology for accurate diagnosis.

Surgical procedures are fully covered, including consultation fees for specialists with expertise in your treatment plan. Accommodation and nursing care during hospital stays provide comfort and professional support throughout your recovery.

Enhanced treatment options

Access to cancer medicines, including those not usually provided by the NHS, is a major benefit of private healthcare. This access

> Health insurance covers all or a significant part of your medical expenses when you opt for private treatment, providing flexibility in both the quality and timing of care.

can be life-changing for patients needing specialist oncology treatments.

Additional cover options often include outpatient consultations, mental health treatment alternatives, complementary therapies, physiotherapy and chiropody services. These supplementary benefits form a comprehensive healthcare package that addresses a wide range of medical needs.

Types of available policies

There are primarily two types of private medical insurance policies available. Understanding these options helps you select the most suitable cover for your specific circumstances and financial limitations.

Indemnity policies cover short-term private medical treatment costs for acute illnesses or injuries. Benefits usually include a private hospital room, fees for surgeons and specialists, outpatient treatments such as physiotherapy, and daycare procedures, including surgical and diagnostic interventions.

Cash plan alternatives

Cash plan policies provide lump-sum benefit payments under specific, predetermined circumstances. In exchange for an affordable monthly premium, consumers can receive cover for up to 100% of treatment costs, including inpatient stays at NHS hospitals.

These policies often also include dental and optical treatments not covered by standard indemnity policies, offering comprehensive health protection that caters to routine healthcare needs alongside emergency medical requirements.

Additional policy benefits

Both indemnity and cash plan policies can offer various supplementary benefits that increase the value of your investment. These extra features often prove invaluable when accessing comprehensive healthcare services.

Common supplementary benefits include cover for spouses and children, ensuring family-wide protection under a single policy. Personalised phone support for individuals with serious conditions such as cancer or heart disease offers invaluable guidance during treatment journeys.

Specialised cover options

Health assessments and dedicated assistance hotlines provide professional medical guidance when you need it most. Access to alternative therapies and comprehensive mental health treatments ensures holistic care addressing both physical and psychological wellbeing.

Dental and vision care cover safeguards against routine healthcare expenses, while at-home treatment options for intravenous therapies such as chemotherapy offer comfort and convenience during difficult treatment periods.

Alternative policy structures

An alternative option involves six-week plans that provide financial cover for private medical treatments when NHS waiting times exceed six weeks. This hybrid approach combines NHS care with private treatment flexibility in case of delays.

International Private Medical Insurance (IPMI) provides expatriates with medical treatment while living abroad, ensuring continuous healthcare cover regardless of location. This specialised protection is vital for globally mobile professionals and their families.

Numerous compelling advantages

Private medical insurance delivers numerous compelling advantages compared to relying solely on NHS provision. Reduced waiting periods represent perhaps the most immediate benefit, ensuring prompt access to necessary treatments when time proves crucial.

Enhanced medical facilities offer modern equipment and comfortable environments that promote recovery and wellbeing. Faster diagnostic procedures reduce delays that could worsen conditions or heighten anxiety about unknown health issues.

Flexibility and choice

A wide range of private facility options allows you to choose providers that match your specific needs and preferences. This includes specialist consultants, treatment locations and appointment scheduling that fits your lifestyle and commitments.

Flexibility in scheduling appointments and treatments eliminates the constraints usually linked to public healthcare, enabling you to organise treatment around work and family commitments instead of accepting whatever slots become available. ■

Making an informed decision

While the NHS provides exceptional care to millions of patients each year, unavoidable waiting times may affect all but the most urgent medical emergencies. Knowing these limitations helps inform choices about supplementary private healthcare options.

Private medical insurance provides a valuable alternative, ensuring prompt access to quality healthcare while offering peace of mind and control over your health journey. This control is especially beneficial during stressful times when health concerns emerge.

Opting for private medical insurance helps protect your health and improve your quality of life by providing access to quicker, better and more personalised care. This investment in your wellbeing offers advantages that go well beyond immediate medical treatment, giving you security and confidence for the future.

Long-term care

Have you arranged to secure a comfortable and dignified future for yourself?

As you plan for your later years, it is vital to consider how your finances will be managed and how essential expenses will be covered in the event of illness or death. Tackling these issues now ensures that you and your family are prepared for future costs and helps ease undue stress from potentially overwhelming circumstances.

Planning for long-term care is vital to ensuring a comfortable and dignified future. By understanding the care options available and formulating a solid financial plan, you'll be well-equipped to handle this important aspect of life with confidence and peace of mind.

Reality of growing older

While increased life expectancy indicates significant progress in healthcare and quality of life, it also raises urgent questions about funding long-term care as people age. The fundamental question many of us face is simple yet profound: Who will care for us if we need assistance in the future?

This uncertainty can be daunting, but with careful planning and awareness of available options, we can seize control of our future and ensure our needs are met with dignity.

Understanding your care requirements

Determining the appropriate level of care requires a thorough assessment of an individual's physical, emotional and cognitive health, as well as their personal preferences and lifestyle choices. Care needs can vary greatly between individuals and may change significantly over time as circumstances evolve.

To maintain maximum independence while receiving necessary support, options such as sheltered housing or assisted living may be an ideal choice for many. These alternatives typically offer limited assistance from a trained supervisor and provide essential emergency support when needed, enabling residents to retain their independence whilst enjoying peace of mind.

Exploring home-based care solutions

For those whose primary need is domestic

help, in-home care can be professionally arranged to assist with daily activities such as dressing, bathing, preparing meals and managing medications. This option enables individuals to stay in familiar surroundings while receiving expert support tailored to their specific needs.

As needs develop and become more complex, transitioning to a dedicated care facility that provides residential or nursing care, or a combination of both, may become the most appropriate option. These facilities offer round-the-clock professional care and medical supervision when independence can no longer be maintained safely.

Specialised care options

Occasionally, short-term care, also known as transitional or reablement care, aims to help individuals regain their ability to live independently after a hospital stay or a health setback. This focused, intensive approach can help rebuild confidence and skills that may have been temporarily affected.

In cases where an individual has received a terminal diagnosis, palliative or end-of-life care becomes absolutely vital. These compassionate services offer comfort, expertly manage symptoms and sensitively address emotional, spiritual and psychosocial needs during the final stages of life, ensuring dignity and peace for both patients and their families.

Importance of flexibility

By understanding the different options available and recognising that care needs can change significantly over time, individuals and their families can make informed decisions and adjust to changing circumstances. This proactive approach guarantees everyone receives suitable care and support throughout their entire life journey.

Long-term care involves various forms of support carefully customised to individual needs, from basic help with daily activities like bathing, dressing and meal preparation to highly specialised medical care delivered by skilled healthcare professionals with extensive training and experience.

Identifying suitable care options

Choosing the right care option is the vital first step to ensuring a comfortable and secure future. As we live longer than previous generations, many of us will inevitably need assistance with daily activities, whether in our own homes, assisted living facilities or skilled nursing homes.

Long-term care covers a variety of needs and settings, including independent living at home with support services, adult day programmes and other valuable community resources. The key is to find the right balance between independence, safety and quality of life that aligns with your unique circumstances and preferences.

Financing care in old age

Long-term care can take place in your own home or a residential facility, but whichever setting is chosen, financing care in old age is becoming an increasingly urgent issue for families across the UK. The costs involved can be significant and should be carefully planned well in advance.

Government state benefits can offer some help, but they usually only cover part of the total cost of long-term care. The level of support from the state can vary greatly depending on your location, whether in England, Wales, Scotland or Northern Ireland, making personal financial planning even more important.

Care home prices differ throughout the UK

Care home fees vary depending on where you live, the type of care you require, your savings and property, and the care home provider.

Being aware of the average cost of a care home and how much you are expected to pay will help you make important decisions about your own or a loved one's care.

How much are care home fees?

- The average weekly cost of residential care if you are a self-funder is £1,291.
- The monthly average cost of residential care is £5,164.
- Residential care for a full year (52 weeks) costs, on average, £67,132.

The average cost of care homes in the UK (including both residential and nursing care) varies depending on your location. In England, for instance, care homes in London tend to be more expensive than those in the North West or South West.

How much are nursing home fees?

In a care home, nursing care is more expensive than residential care.

- The average nursing home cost for individuals funding their own care is £1,545 per week across the UK.
- Nursing care in a care home costs, on average, £6,180 per month.
- Nursing home care costs on average £80,340 a year.

What are the fees for dementia care homes?

Care homes offering specialised services, such as dementia care, generally charge higher fees.

- Residential dementia care costs an average of £1,338 per week. Annually (52 weeks), it costs £69,576.
- Nursing dementia care costs an average of £1,569 a week. Annually, it costs £81,588.

Source data: carehome.co.uk 12/08/25

Financial planning solutions

When planning for long-term care financing, multiple strategic options are available to ensure proper support in your later years. Each option offers distinct benefits and should be thoughtfully considered as part of your comprehensive financial plan.

Immediate needs annuities: These specialised plans pay a guaranteed income for life to help cover care fees in exchange for a one-time lump sum payment if you already have established care needs. They offer certainty and peace of mind when care is already necessary.

Enhanced financial products

Enhanced annuities: If you have health issues, a long-term illness, are significantly overweight or smoke, you can use your pension pot to buy an enhanced annuity. Providers conduct thorough medical underwriting to determine a more accurate individual price, often resulting in better rates for those with health conditions.

Equity release plans: These innovative financial products allow you to receive a lump sum of cash as a loan secured against your home, which can be used strategically to fund a comprehensive care plan now or in the near future. This option lets you access the wealth tied up in your property without having to sell it.

Building a comprehensive strategy

Savings and investments: Another highly viable option is to plan carefully and ensure that your savings, investments and other financial assets are specifically prepared and earmarked for your future care needs. This method requires discipline and long-term thought but provides maximum flexibility.

If you're already retired or nearing retirement, it is vital to seek professional financial advice to make sure your affairs are properly organised and optimised. This detailed planning should cover arranging your Will or Power of Attorney and ensuring your savings, investments and other valuable assets are strategically managed.

Growing challenge

The increase in life expectancy heightens pressure on the quality of care that public services can realistically provide with limited resources. Some people, unfortunately, neglect long-term care planning altogether, leaving their families to face costly, emotionally charged decisions during already challenging times.

However, needing long-term care does not necessarily shorten one's overall life expectancy. The required care may last for many years, resulting in significant expenses that can quickly deplete even substantial savings if not properly planned in advance. ■

Reduce future pressures

Whether you or a loved one currently requires such assistance or is simply planning ahead to prepare thoughtfully for the future, understanding the appropriate type of care and developing a comprehensive strategy to finance it are absolutely essential for your peace of mind and financial security.

Proactive planning for long-term care can significantly lessen future pressures and ensure quality care when needed, safeguarding your dignity and comfort in later life. By taking these essential steps today, you ensure that you are well-prepared for any challenges the future may bring and gain invaluable peace of mind for yourself and your loved ones.

Using equity in your home will affect the amount you are able to leave as an inheritance. Any means-tested state benefits (both current and future) may be affected by any equity released. This is a lifetime mortgage. To understand the features and risks, ask for a personalised illustration.

Securing your legacy

What steps have you taken to ensure your family's security with a Will?

As residents of England or Wales think about the future, creating a legally valid Will is an essential step to ensure your preferences are honoured and your wishes are respected after you pass away. Without a Will, the government handles the distribution of your assets based on a strict set of rules, which might not reflect your true intentions. Drafting a Will offers valuable peace of mind, giving you the confidence that your estate will be managed exactly as you desire, providing security for your loved ones and chosen beneficiaries.

A Will is the main legal document that lets you decide how your assets and possessions – collectively called your 'estate' – are shared. This document allows you to officially name beneficiaries, such as family members, friends or charitable organisations, ensuring that the people and causes you care about are taken care of. Your estate includes a variety of assets, such as your home and any other property you own, savings in bank and building society accounts, National Savings such as Premium Bonds and various insurance policies not held in trust.

Defining your estate

Your estate is not limited to property and cash. It also includes pension funds that provide a lump sum payment upon death, as well as investments such as stocks, shares or investment trusts, and personal belongings, including motor vehicles, jewellery and antiques. Even your furniture and general household contents form part of the estate that can be distributed according to your instructions.

Furthermore, a well-drafted Will can specify any outstanding debts. This includes liabilities such as mortgages, credit card balances, bank overdrafts, personal loans and equity release plans. By addressing these financial obligations in your Will, you provide clear instructions for your executors, making the administration of your estate easier and easing the burden on your family during a difficult time.

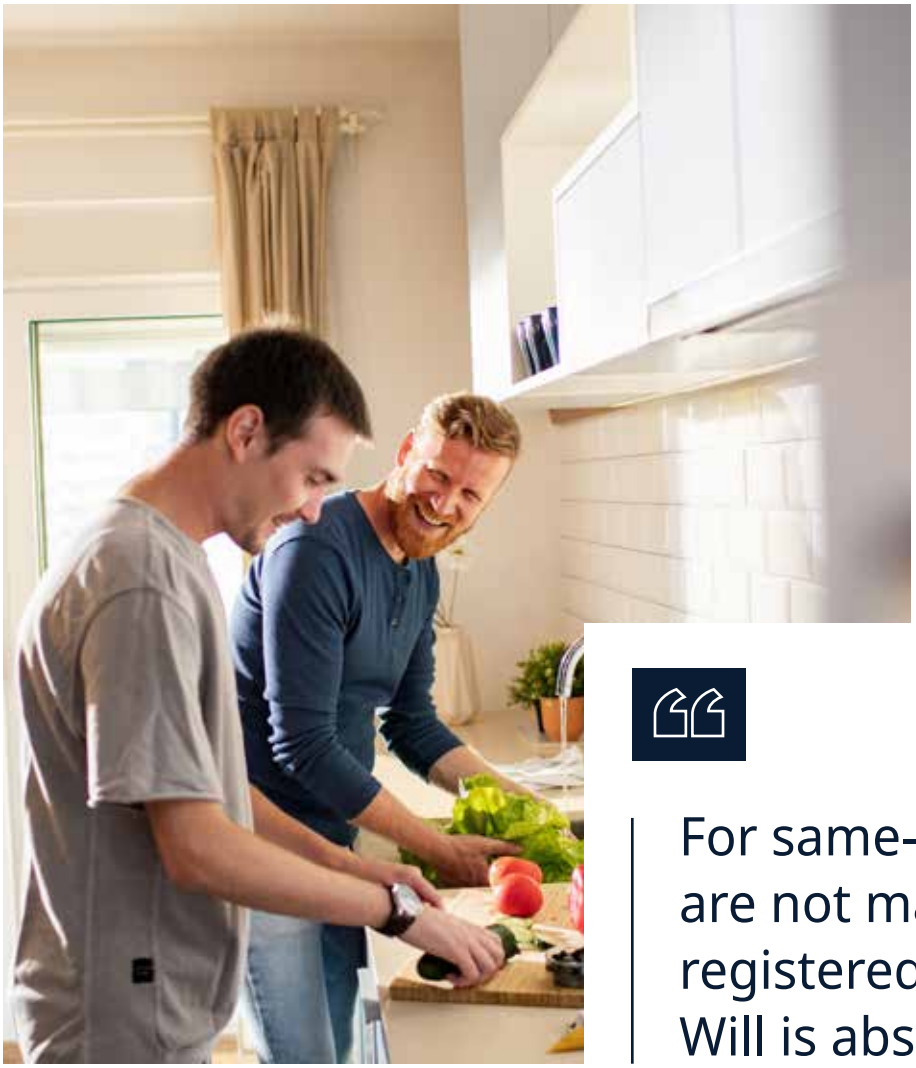
Consequences of not having a Will

Passing away without a valid Will, known as dying intestate, can significantly complicate matters for your family. Without clear instructions, your estate is divided according to strict intestacy rules. These rules only allow married partners, registered civil partners and certain close relatives to inherit. This means unmarried partners or cohabitants, including those in long-term same-sex relationships, have no automatic right to inherit, possibly leaving them without financial support.

Creating a Will is therefore essential if you own property, run a business, have children or possess savings, investments or insurance policies. It is the only way to ensure that your estate is distributed exactly as you wish. It can also be a vital tool in financial planning, potentially minimising Inheritance Tax payments and ensuring you can provide for your loved ones and support your chosen charities.

Protecting your loved ones

For same-sex partners who are not married or in a registered civil partnership, a Will is absolutely essential. The law does not automatically grant cohabitants the same rights as married couples or registered civil partners, so a Will is the only way to ensure that your long-term partner receives their intended inheritance. Without one, they could be left with nothing.



outstanding debts and distributing your estate to the beneficiaries as specified.

When you are ready to prepare your Will, there are several important points to consider. Begin by assessing all your financial assets, property and possessions to understand the full scope of your estate. Then, you can decide who your chosen beneficiaries are and what each will receive. If you have young children, you must appoint guardians, and it is essential to select a trustworthy executor to manage your estate. ■

> For same-sex partners who are not married or in a registered civil partnership, a Will is absolutely essential.

Similarly, for those with children or dependants who cannot care for themselves, a Will offers certainty about their future care and financial support. You can designate legal guardians for children under 18, ensuring they are looked after by trusted individuals. A Will clearly states how your estate should be used to support them, aligning with your wishes long after you are gone.

Role of executors and legacies

A Will not only details how your main estate is divided but can also include various legacies, which are specific gifts of money or particular items to individuals or charities. You will also appoint executors in your Will, who are the people you trust to be responsible for fulfilling your wishes. Their responsibilities include organising your funeral, dealing with tax bills, settling any

Keeping your Will up to date

It is highly recommended to review your Will every five years and after any major life events. Changes such as marriage, divorce, the birth of children or significant shifts in your financial situation can all affect your original intentions. Keeping your Will up to date ensures it continues to accurately reflect your wishes.

To make any changes, you can use a Codicil, which is a legal document that acts as an amendment to an existing Will. Alternatively, you can create a completely new Will, which will automatically revoke any previous versions. This ensures that your most recent intentions are the ones that will be legally followed. Drafting and maintaining a Will is a vital aspect of sound financial planning.

Creating and regularly reviewing your Will provides clarity and reassurance for your loved ones, reduces potential legal issues, and ensures you retain control over your legacy. A well-drafted Will grants peace of mind, knowing your final wishes will be honoured and the future of those you care about remains protected. This is for information only and does not constitute advice.

Protecting your future

Have you considered the importance of a Lasting Power of Attorney?

As we go through the unavoidable process of ageing or face unexpected health issues, simple tasks like managing our finances and making vital healthcare choices can shift from routine chores to overwhelming barriers. The harsh truth is that many of us will encounter times when our mental capacity is affected, whether due to illness, injury or the natural course of ageing.

Have you ever considered the serious consequences of losing your mental capacity and being unable to make your own financial and welfare decisions? Although unsettling to consider, this situation affects many families across the UK each year, often leaving loved ones in legal uncertainty and causing unnecessary stress during already difficult times.

Understanding legal protection

This is exactly where a Lasting Power of Attorney (LPA) becomes not only helpful but absolutely essential. An LPA is a vital legal document that is entirely separate from your Will, allowing you to appoint one or more trusted individuals – known as your 'attorney' – to make decisions on your behalf when you are unable to do so.

The benefit of an LPA lies in its proactive approach. Instead of leaving your family to manage complex legal procedures during a crisis, you can set clear instructions while you still have full mental capacity. Many wise individuals choose to create an LPA alongside their Will as part of a comprehensive estate planning strategy, understanding that true peace of mind comes from careful preparation.

Peace of mind for families

The reassurance that comes from knowing a trusted individual can make decisions on your behalf when needed is invaluable. This arrangement ensures that your personal wishes and values remain honoured, even when you are unable to communicate them directly. Your appointed attorney becomes your voice when yours cannot be heard.

Having an LPA in place means you can feel confident that someone you trust completely will handle your affairs if you are unable to do so yourself. Whether you are facing the difficulties of old age, recovering from a serious accident or dealing with illness, your appointed attorney will step into your position with the legal authority to act.

Comprehensive decision-making authority

Your appointed attorney takes charge of two vital areas in your life: your finances and property management, and decisions regarding your health and welfare. This dual responsibility guarantees thorough cover of all aspects that might need attention during your incapacity.

The LPA framework offers exceptional flexibility, allowing you to include specific instructions and general preferences for your legal professional to consider. This personalisation ensures that your unique wishes, values and circumstances are carefully considered in every decision made on your behalf.

Legal capacity requirements

To establish a valid Lasting Power of Attorney, you must have the necessary legal capacity at the time of creation. This involves demonstrating a clear understanding of the document's nature and consequences, an integral safeguard designed to prevent the exploitation of vulnerable individuals.

Importantly, you must maintain this ability throughout the LPA creation process, and no one else can set one up on your behalf. This requirement underscores the document's importance and ensures that only those who fully comprehend its implications can create it.

Next of kin misconception

A common and often costly misconception persists that next of kin automatically have

the legal authority to handle the affairs of a spouse or family member. This assumption is incorrect and can lead to lengthy, expensive and emotionally taxing legal processes when urgent decisions are required.

Without an LPA, families often find too late that accessing bank accounts, managing investments or even selling property to fund care is legally impossible, regardless of their relationship to the incapacitated person.

Two distinct types of LPA

In England and Wales, the legal framework outlines two different types of Lasting Power of Attorney, each designed for specific purposes and providing varying levels of authority and activation criteria.

Understanding these differences is essential in determining which type – or indeed, whether both – are suitable for your circumstances and future planning needs.

Health and welfare decisions

The Lasting Power of Attorney for Health and Welfare covers a broad range of decisions impacting your daily life and wellbeing. This includes choices about your living arrangements, medical treatment, dietary needs and social activities – essentially, all factors that influence your quality of life.

Furthermore, you can authorise your legal professional to make decisions regarding life-sustaining treatment on your behalf, although this specific authority requires careful thought and clear instructions. Importantly, this type of LPA only takes effect once it has been verified that you have lost mental capacity.

Financial and property management

The Lasting Power of Attorney for Property and Financial Affairs covers all aspects of your financial matters. This includes buying and selling property, managing mortgage payments, overseeing investment portfolios and ensuring bill payments are made smoothly.

This financial LPA provides greater flexibility in its activation – you can restrict its use to situations where you lose mental capacity, or apply it more broadly to cover periods of illness, mobility issues or even extended travel abroad.

Consequences of inadequate planning

Without an LPA in place, the legal situation is clear: no individual, regardless of their relationship to you, has the legal authority to manage your affairs. This includes spouses, children and other close family members who might naturally believe they have such rights.

Instead, concerned parties must apply to the Court of Protection, a process that can take months to complete and costs significantly more than establishing an LPA. The court then appoints a 'deputy' to manage your affairs, creating an ongoing legal relationship that requires regular reporting and can prove both complex and costly.

Importance of professional guidance

Therefore, obtaining professional legal advice and establishing an LPA is not just sensible but essential to ensure that your chosen person has clear legal authority over your affairs. This proactive step greatly simplifies future processes while lowering both financial costs and emotional stress for your family.

The harsh reality is that if a serious injury, accident or illness occurs before an LPA is set up, the chance may be lost forever. Once mental capacity is affected, the legal opportunity to create an LPA permanently ends.

Securing your future today

No matter your age, health or personal situation, creating an LPA is one of the best ways to protect yourself from life's unpredictable challenges. The document serves as your insurance against incapacity, ensuring your voice is heard even when you are unable to speak.

By putting these arrangements in place sooner rather than later, you ensure peace of mind not only for yourself but also for your loved ones. You remove the uncertainty and potential legal complications that could otherwise hinder their ability to care for you effectively during difficult times. ■

THIS GUIDE DOES NOT CONSTITUTE TAX OR LEGAL ADVICE AND SHOULD NOT BE RELIED UPON AS SUCH. TAX TREATMENT DEPENDS ON THE INDIVIDUAL CIRCUMSTANCES OF EACH CLIENT AND MAY BE SUBJECT TO CHANGE IN THE FUTURE. FOR GUIDANCE, SEEK PROFESSIONAL ADVICE.

TRUSTS ARE NOT REGULATED BY THE FINANCIAL CONDUCT AUTHORITY.

INHERITANCE TAX/ESTATE PLANNING AND WILL WRITING ARE NOT REGULATED BY THE FINANCIAL CONDUCT AUTHORITY.

THE VALUE OF INVESTMENTS AND THE INCOME THEY PRODUCE CAN FALL AS WELL AS RISE. YOU MAY GET BACK LESS THAN YOU INVESTED.

EQUITY RELEASE WILL REDUCE THE VALUE OF YOUR ESTATE AND CAN AFFECT YOUR ELIGIBILITY FOR MEANS-TESTED BENEFITS.

YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE.

WILL WRITING AND POWERS OF ATTORNEY ARE NOT REGULATED BY THE FINANCIAL CONDUCT AUTHORITY.

Take action today to protect your tomorrow

Don't leave your future and that of your loved ones to chance. Taking this step today could prove to be one of the most important decisions you make for your and your family's future security and peace of mind.

Are you prepared for whatever life brings? You can face it with confidence.

We offer advice to help you safeguard what matters most. We'll ensure that you, your family and your future are protected, providing you with stability and peace of mind throughout life's highs and lows.

Let us help you safeguard the people and things you value.

Contact us today to arrange a review of your situation. We're ready to help.

This guide is for your general information and use only, and is not intended to address your particular requirements. The content should not be relied upon in its entirety and shall not be deemed to be, or constitute, advice. Although endeavours have been made to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No individual or company should act upon such information without receiving appropriate professional advice after a thorough examination of their particular situation. We cannot accept responsibility for any loss as a result of acts or omissions taken in respect of the content. Thresholds, percentage rates and tax legislation may change in subsequent Finance Acts. Levels and bases of, and reliefs from, taxation are subject to change, and their value depends on the individual circumstances of the investor. The value of your investments can go down as well as up, and you may get back less than you invested. All figures relate to the 2025/26 tax year, unless otherwise stated. Your home may be repossessed if you fail to keep up with mortgage repayments. 'The Financial Conduct Authority does not regulate estate planning, tax advice, Wills or trusts.

Published by Goldmine Media Limited, 124 City Road, London EC1V 2NX. Content copyright protected by Goldmine Media Limited 2025. Unauthorised duplication or distribution is strictly forbidden - 09/2025.