



**All you need to
know about
protection**

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Please note that Royal London plans don't have a cash-in value at any time – so if you stop paying premiums, your cover ends and you won't get anything back.

Because life can be unpredictable

We can never be sure what's waiting for us round the next corner. It could be great – a new job, a new baby or even a lottery win. But sometimes, life throws the unthinkable at us.

Many of us will know of someone who has died young or even heard of someone's battle to survive a serious illness.

Anyone who's seen a family trying to deal with these things will know that the financial and emotional impact can be devastating. We think it'll never happen to us, but sometimes it does. And while protection insurance can't stop the unthinkable from happening, it can make dealing with the consequences a lot easier.

Between September and November 2019, over **2 million people** of working age were unable to work due to long-term sickness.

Source: Office for National Statistics, Labour Market statistic summary tables published January 2020.

Life cover

This gives your family financial protection if you die.

Most people who buy life cover buy just enough to pay off their mortgage if they die. But is this really enough?

For most of us, our mortgage is only one of the many financial commitments we have.

Credit cards, personal loans, council tax, childcare costs, food and utility bills are just some of the other regular payments that we have to make. And most of these commitments wouldn't go away if one of the breadwinners died.

This is where protection insurance can help.

You can buy life cover that pays out as a lump sum or a monthly income to cover the bills if you have to make a claim during the term of your plan. You can even combine both types of payment in one plan to give your family protection that covers the mortgage and provides the income they would need to live in the family home without you.

£14,540 was the average household unsecured consumer debt in the UK excluding mortgages in the third quarter of 2019

Source: TUC.org.uk, Unsecured debt hits new peak of £14,540 per household, 10 January 2020.

Critical illness cover

Critical illness cover provides financial protection for you and your family if you become ill with one of a list of defined critical illnesses.

If you were to become seriously ill tomorrow, what impact do you think this would have on you and your family? And what would your priorities be? For most of us our biggest concern would be surviving the illness and recovering from it.

But it can be difficult to focus 100% on getting better if you're worried about the next big bill that's going to come through the door. Sadly this is a reality for many families whose lives have been turned upside down by illness.

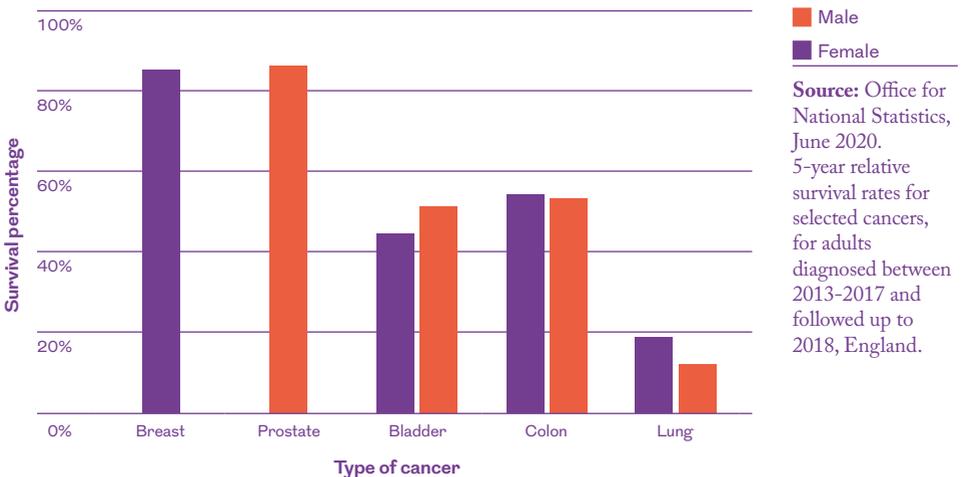
The good news is that more and more people are surviving critical illnesses. There are too many survival statistics to show them all, so we've chosen cancer as most of us know a friend or family member who has been affected by this at some time in their lives.

According to Cancer Research UK, survival rates for cancer are increasing – and cancer survival has doubled in the last 40 years.*

The chart below shows the survival rates of men and women for selected cancers.

***Source:** Cancer survival statistics for all cancers combined, Cancerresearchuk.org, accessed June 2020.

Cancer survival rates 2013-2017, England.



Income protection

Income Protection can provide a monthly income if you become ill with an illness that may not be critical, but is severe enough to stop you from going to work for a long time.

The working world has changed dramatically in recent years. One thing remains constant however, and that's the fact that most of us need to work to pay the bills and to enjoy all the good things in life like holidays, cars and meals out.

But bills don't stop arriving – even if we are very sick.

If you fall ill or have an accident and are unable to work, the sudden loss of income could be devastating.

Even if you don't earn an income but look after the home all day, it would be very expensive to pay someone to do all the work that you do.

That's where income protection comes in. It pays out an income if you're unable to work because of illness or injury.

Ask yourself:

What if you don't have a critical illness, but suffer from long-term sickness or a disability that prevents you from working?

How long would your finances last if this happened to you?

How long would your employer continue to pay you?

How quickly would you have to fall back on state benefits? And would they be enough?

Who else would you rely on?

Many people think they could rely on money from their employer, their family or the state.

But recovering from a serious illness can take a long time. How long would this money last?

Sick pay from your employer might help, but might only last a few weeks. The state provides Statutory Sick Pay and Employment and Support Allowance, but is this enough? Have a look at the table opposite to see how much you could get. You can find out what other benefits you are entitled to at www.entitledto.co.uk*

Surprisingly few of us think about taking out protection. According to research, only 19% of UK adults aged 18-34 are planning to take out income protection and just 21% are considering critical illness cover.¹

Isn't it time you considered your own protection plan?

* www.entitledto.co.uk is a website which provides access to a range of independent self-service calculators that can help you work out what you can claim from national and local government.

Could you really survive on £95.85 a week?

Statutory Sick Pay, from 1-28 weeks	£95.85 ²
or	
Employment and Support Allowance (assessment phase) from 1-13 weeks for those aged 25 and over	up to £74.35 ²
or	
Employment and Support Allowance (main phase – work-related activity group) from week 14	up to £74.35 ²
or	
Employment and Support Allowance (main phase – support group) from week 14	up to £113.55 ²

Source: 1 State of the Protection Nation report, Royal London, May 2019.
2 www.gov.uk, June 2020.

It might cost less than you think

How much would you pay to know that your family are protected if you die or become ill?

£10 a month, £20 a month, £50 a month, or even more? Perhaps that kind of peace of mind is priceless. And given the opportunity, wouldn't you want to make sure that your family would be financially secure?

It might cost less than you think and be more valuable than you can imagine.

We're all different. What we need, what we can afford and what protection plan is right for us depends on the life we lead. You may not be able to buy all the cover you need right away, but our menu plans let your adviser tailor an affordable plan to suit your own personal circumstances.

Even a little protection is better than nothing. And protecting your family isn't only about making sure they have enough money. In the first days and weeks of coping with a life-changing event, being able to talk to an independent expert about your concerns and fears could be invaluable.

That's why our menu plans include access to our Helping Hand support service. It's available as soon as the plan starts and at no extra cost. This means you can get more than a financial payout during a difficult time – Helping Hand offers ongoing practical and emotional support for the plan owner and their partner and children.

So if it's a question of affordability, can you afford not to buy protection?

Helping Hand is a package of support services provided by third parties that aren't regulated by the Financial Conduct Authority. These services aren't part of our terms and conditions so can be amended or withdrawn at any time.

A little over £20 a month could buy £50,000 of critical illness cover*. That could pay for:

- Private treatment.
- Prescribed drugs not available through the NHS.
- Changes to your home.
- Part of your mortgage.



***Source:** Based on couple aged 30 and 27 next birthday, both non-smokers. £50,000, increasing lump sum with 20-year term on guaranteed rates increasing in line with retail price index, no child critical illness cover added, £20.35 monthly payment, including Total Permanent Disability (own occupation) and £2.60 plan charge. The plan has no cash-in value at any time. Royal London Personal Menu Plan, June 2020.

The value of advice

Your financial adviser can make sure you get the plan that's right for you today, tomorrow, and in the years to come.

Making sure you have enough of the right protection can sometimes be a little complicated.

Not all protection plans are the same, and some offer more choices than others.

The type of plan you buy, how much cover you have, for how long and from which insurer, are just some of the decisions your adviser can help you with.

Applying for a protection plan can be more complex than applying for other insurances. This is because protection insurers have to make an assessment of your health now and in the future, taking account of the risks your lifestyle and family history can add. Your adviser can guide you through the whole application process.

By helping you to make sense of the choices available to you, your adviser can make sure you get the protection plan that suits you today and also changes with you as your life changes.



Your adviser is there to **help**
you make the right choice.

Here is their business card.



Royal London
1 Thistle Street, Edinburgh EH2 1DG
royallondon.com

We are happy to provide you with alternative formats such as Braille, large print and audio to replace any printed documents that you might get through the post, just ask the customer service consultant when you ring.
All of our printed products are produced on stock which is from FSC® certified forests.

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