

## Do you have a financial back-up plan?

Be prepared if life throws something unexpected your way

Unforeseen life events and circumstances can potentially impact your finances in a number of ways. Hundreds of thousands of people are diagnosed with cancer each year in the UK, and it is becoming more common among those of working age.

Cancer treatment can cause many to have to work reduced hours or stop working altogether. Sufferers should be able to make getting better their main priority without worrying about job security and financial stability. At a time when welfare reform is resulting in significant changes to benefits such as child and working tax credits, income-based job seeker's allowance, and income support and housing benefits for those renting and with a mortgage – all of which are being replaced by Universal Credit – families need to do all they can to protect themselves in the event of the unexpected happening.

### HEADS IN THE SAND

But fewer than one in ten (8%) people in the UK have critical illness insurance, and just a third (34%) have life cover, with many people appearing to bury their heads in the sand when it comes to having a financial back-up plan should serious illness strike, according to research from Scottish Widows<sup>[1]</sup>.

One in five (21%) people in the UK admit their household would not be financially secure for any length of time if it lost its main income as a result of serious illness. And almost half (47%) admit that their savings would last just six months or less if they became unable to work, raising concerns over the nation's financial resilience should the unexpected happen.

### INCIDENCE RATE INCREASE

Lung cancer is the third most common cancer in the UK, accounting for 13% of all new cases, with 130 new cases being diagnosed every day. It's the second most common cancer in both males and females, with 1 in 13 men and 1 in 17 women being diagnosed with the illness during their lifetime. Pancreatic cancer is the eleventh most common cancer in the UK (26 cases being

diagnosed every day), with incidence rates having increased by a tenth over the last decade<sup>[2]</sup>.

The research also reveals that a lack of planning is leaving many UK households in a vulnerable position. When asked how they'd cope should they or their partner not be able to work for six months, a quarter (24%) of people said they'd rely only on state benefits, and two fifths said they'd rely on savings.

### CRITICAL ILLNESS IMPACT

If you were to become seriously ill, would your loved ones struggle to keep up with household bills and the mortgage? It's essential to make sure that you and your family are financially protected against the impact a critical illness could have. If your family relies on you financially, you should consider this protection to help cover against the impact a critical illness would have.

You would receive a cash sum if you are diagnosed with one of the many specified critical illnesses covered during the length of a policy. The payout could help to cover things such as child care costs and household bills. Or you may want to use the payout to help make adjustments to your home or lifestyle if needed, or to pay for specialist medical treatment – or even to take that trip of a lifetime to help you recover. ■

#### Source data:

[1] Scottish Widows' protection research is based on a survey carried out online by Opinium, who interviewed a total of 5,077 adults in the UK between 16 and 27 March 2017.

[2] Cancer Research UK

### DO YOU HAVE THE APPROPRIATE PROVISION IN PLACE TO PROTECT YOUR FINANCES?

An alarming number of families could face a significant financial struggle in the event of an unexpected loss of income due to serious illness or death. If the unexpected happened to you, it's crucial to have the appropriate provision in place to protect your finances and provide the peace of mind that there's a safety net in place. To discuss your situation, please contact us.

INFORMATION IS BASED ON OUR CURRENT UNDERSTANDING OF TAXATION LEGISLATION AND REGULATIONS. ANY LEVELS AND BASES OF, AND RELIEFS FROM, TAXATION ARE SUBJECT TO CHANGE. TAX TREATMENT IS BASED ON INDIVIDUAL CIRCUMSTANCES AND MAY BE SUBJECT TO CHANGE IN THE FUTURE. ALTHOUGH ENDEAVOURS HAVE BEEN MADE TO PROVIDE ACCURATE AND TIMELY INFORMATION, WE CANNOT 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 REVIEW OF THEIR PARTICULAR SITUATION. WE CANNOT ACCEPT RESPONSIBILITY FOR ANY LOSS AS A RESULT OF ACTS OR OMISSIONS.