

LIFE COVER – who cares?

There are some incredible statistics available that show just how few people have any life cover and how many have too little. What is too little? To understand this question, it is important to consider what the benefits are of having life cover.

Basic life cover is an insurance policy that pays out if the policyholder dies during a certain time. You are having a bet with the insurance company as to when you are going to die. The resulting payment is normally paid out as a lump sum.

There are various choices of cover and benefit available.

Joint policies – can pay out on first or second death or both.

Family Income Benefit – rather than paying out a lump sum, the benefit can be paid out as regular income.

Critical Illness Benefit – this pays up on the diagnosis of a critical illness. This means that rather than paying to protect someone else (life cover pays out to somebody else), the policyholder can benefit from their policy while they are still alive.

You should consider what cover you require.

- How much cover does each partner need?
- Is benefit to be paid on first or second death?
- Should the benefit be paid as a lump sum or would ongoing regular income be more suitable for the people left behind?
- What level of critical illness cover is required?
- If you already have life cover, is it still the correct amount for your current circumstances?

It can be cheaper to replace existing life cover. Alternatively, better quality cover (including critical illness or terminal illness cover) is available now.

It is also possible to provide cover for people who have previously been declined for having certain illnesses that were previously unacceptable to insurers.

For this better quality, advice driven insurance, you will need to go to an independent adviser.

The Catt's Whiskers

Many providers such as Scottish Provident, Friends Provident, Norwich Union and Legal & General have been developing their contracts to suit the changing lifestyles of modern clients.

However, I feel that the cream of the products available is the new **Liverpool Victoria MIMI**. This is a very flexible contract allowing changes to be made to suit a client's changing circumstances. It is very competitive on price and can incorporate separate levels of life cover, critical illness cover and income protection for your mortgage and other outgoings in the event of accident sickness or redundancy.

9 out of 10 Catt's prefer a flexible product.