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Out and About in the Financial World

Welcome to our newsletter sharing items that we feel may be of interest to you, our clients, as well as your family and friends.

If you read anything of interest and we can be of further help please don't hesitate to give us a call.

Two fifths of consumers 'changed mind' about insurance due to Covid

ReMark's seventh annual Global Consumer Study (GCS) into life and health insurance has found that younger people - or Generation Z - are the age group most influenced by Covid-19 and its associated health and mortality risk.

Carried out in May with more than 10,000 people across 18 countries, the survey found that this age group (born between 1996 and 2015) expressed the strongest views, with 51% saying their attitudes had changed towards the value of insurance in light of the pandemic compared to 22% of Baby Boomers.

Overall the study found around 40% of consumers had changed their minds about insurance as a result of Covid-19.

According to Remark CEO, the pandemic has accelerated recent trends, triggering a "fast-track introduction" to risk for younger generations, giving them a level of consciousness that "normally takes a lifetime to acquire," she said.

"With mortality tables dominating social media feeds, the so-called 'digital natives' are suddenly becoming more risk aware and are reconsidering the value of protection much earlier than their more experienced counterparts."

Source: Cover 6 October 2020

Life insurance for your young family

When you welcome a new baby into your life or you've got a young toddler, thinking about what their future holds is natural.

Aviva are offering Free Parent Life Cover of £15,000 for each parent, for each child completely free. So, you could get life insurance worth £30,000 for each eligible child (from birth up to the child's fourth birthday) if both parents apply.

It's an opportunity to get something in place while you consider your long-term life insurance options, or it's an extra boost to any protection you already have.

Source: Aviva

If you would like more information or to review your protection needs give us a call.

November is Will Aid month.

If you haven't a will in place you may be interested in this link to find out more.

<https://www.willaid.org.uk/will-makers>

If you have life insurance, you're less likely to take out income protection

- Just one in five people currently has income protection insurance
- But a million people become unable to work due to injury or illness every year
- 39% wouldn't take out income protection if they had life or critical illness cover

Income protection insurance is designed to cover your salary if you can't earn an income due to an illness or injury, unlike life insurance which pays out to your dependants when you die, or critical illness which pays out a lump sum if you receive a diagnosis for an illness that appears on a pre-agreed list.

Cirencester Friendly Society's David Macgregor said: 'I believe it is a combination of both confusion over the product and the cost issue, plus a question of priorities and an element of "it won't happen to me".'

'Customers can easily relate to a potential critical illness claim, as most will know somebody who has suffered a heart attack or stroke or been diagnosed with cancer.

'Whilst we do see and pay claims for these illnesses, in 2018 we paid over 38 per cent of our claims as a direct result of an accident, 7.9 per cent for mental health and 13 per cent for musculoskeletal-related conditions, such as bad backs and joints.'

Generally speaking, these conditions would not be paid under a critical illness policy, which Macgregor argued 'clearly highlights the need for cover under both to ensure complete protection and peace of mind'.

Luke Barber, of protection adviser Cavendish Online, said: 'Ask yourself a question – before you retire do you think you are more likely to die, be diagnosed with a critical illness, or suffer an illness or injury that prevents you from working for a few months or longer?

'The answer for most is the latter. It could be for a short period of time, or in the worst case you may never be able to work again.

'Whilst income protection is an insurance cover taken out by so few, it's absolutely the most likely to be claimed upon.'

Source: This is Money

**We can help you decide whether this is a policy you would actually benefit from.
Call us.**

Budget - State Pension

The earnings element part of the 'Triple Lock' guarantee, used to increase the value of the state pension and pension credit, will continue to be suspended due to an unusual increase in earnings due to the pandemic. the average earnings component would be disregarded in 2022-23 (as it was last year) and the rise will temporarily be replaced with a 'double lock' that will instead increase by the higher of 2.5% or inflation.

However, in early November the bill was defeated in the House of Lords but it is expected to be overturned in the House of Commons where the bill has now been sent for further debate and where the government has a larger majority.