FINANCE Q&A's



Income Protection

While you can't predict the occurrence of a serious illness or an accident, you can have cover in place to support you should you be unable to work whilst recovering. Lakeside Financial Consultant, *Rebecca Venton*, outlines the purpose and benefits of income protection insurance.



What is income protection, and who should have it?

R: Income protection provides a regular monthly income if you have to take time off work due to an accident or illness. This type of cover is beneficial to both employed and self-employed clients.

What are the main risks of not having this type of insurance?

R: People who choose not to protect their income, or perhaps aren't aware that this is an option, risk losing that income if they become ill or injured and unable to work. This could lead to them missing monthly bill payments and being unable to provide financial stability for themselves and their family and ultimately result inthem being unable to afford to continue living in their home.

When would the insurance be activated, and how long would it pay out for?

R: This type of protection can be tailored to suit the needs of each individual. For example, you can specify your own deferred period. A deferred period is the amount of time that you would be able to manage on sick pay or savings before the policy begins to pay out. So, if you receive six months' full sick pay from work, we may recommend your deferred period is for six months. However, if you are self-employed and receive no sick pay, we may look at a policy that would start paying you a monthly income straight away.

What key consideration should clients keep in mind when looking at income protection policies, and how can you assist them in finding the right provider or product for their circumstances?

R: The main question would be: 'How would you manage to keep up with your monthly outgoings if you were ill or injured and unable to work?' If the answer to this is 'I don't know.' then we would recommend a chat to discuss your circumstances and options.

Even if you could survive on savings for several months, do you really want to spend all of your hard-earned savings on monthly expenditure? Or significantly reduce the quality of the lifestyle you are accustomed to?

We will listen to you and help establish your needs and priorities so that we can find the best solution for your individual circumstances.

For further information on income protection insurance, please contact: *admin@lakesidefs.co.uk*

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