



Income Protection

Current income risk landscape

6 April 2020

The Covid-19 pandemic and resulting impact on the ability to work has meant a sharper focus on insurances, and in particular, the benefits of **Income Protection**. This could provide a regular income if an illness or injury stops you from working, helping to protect all the things you've worked hard to achieve.

The income protection market remains open for new business, at least for now.

Our experts in financial resilience have compiled some areas most people, both homeowners and renters, should consider in order to protect their income:

Evaluate the scope and size of your safety net

- ▶ Determine your **Employer's Sick Pay** benefit (should there be one)
 - How much and for how long? Check your employment contract
 - Statutory Sick Pay (SSP) is only £94.25 for up to 28 weeks¹
- ▶ Eligibility for any **state benefits**
 - The maximum Employment and Support Allowance (ESA) is just £111.65 a week¹
- ▶ Estimate how long any **savings** would last
 - The average UK employee has enough savings to last just 32 days if their income stopped²
 - 60% of people would struggle with a loss of income within six months³

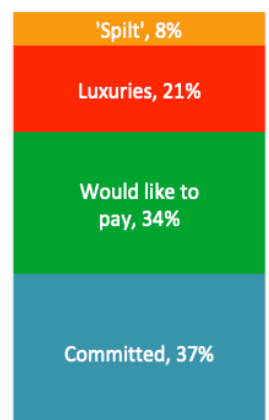
Evaluate the depth of cost savings from outgoings

- ▶ It's a sad fact of life that your outgoings wouldn't necessarily stop just because your income has
- ▶ Highlight your bank statement with four coloured pens

- ① Committed payments
- ② Preferably maintained payments
- ③ Luxury payments
- ④ 'Spilt'/'disappearing' payments, e.g. cash withdrawals



Work out the percentages of each and how much you could cut back



Example

Reflect on the likely impact of the above

- ▶ Using savings for survival
- ▶ What have you had to give up?
- ▶ Moving back in with parents?
- ▶ What aspirations have disappeared?
- ▶ Would you find yourself struggling financially when money should really be the last thing on your mind?

Consider the relief and liberation of Income Protection

- ▶ You'd be able to mitigate some, or much, of the above distress
- ▶ A regular monthly income paid direct into your bank account

You may already protect many things; such as pets, mobile phones, cars, travel, even the fridge, however, your income should be one of the first things you protect.

If you don't insure your income, how can you pay for everything else?

Quality protection when you need it most, tailored to your needs and budget - often at only a fraction of your 'spilt' money.

Delaying cover could be a costly mistake.

We can help protect you and your income

Talk to us today to find out more about Income Protection Insurance.

We'll complete a comprehensive Fact Find with you over the phone so that we can identify the product that fits your needs.

Using our expert product knowledge, we will research the options and put together a personal recommendation for you.

We'll discuss our recommendation over the phone and also write to you so you can review what we have suggested, and why.

Assuming you're happy with our recommendation, we'll work with you to complete the application form and stay in touch throughout the process - and into the future.



References

¹www.gov.uk

²Legal and General Group PLC, Deadline to Breadline 2017

³Mintel, UK Income Protection Market Report 2019

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