

PROTECTION - A NUMBER ONE PRIORITY

BY IAIN FLEMING, SENIOR CONSULTANT

To secure your financial future there are mainly three types of protection that are essential for you. These are income protection, mortgage protection and family protection.

INCOME PROTECTION

Most employees including NHS employees have little understanding as to how long they would continue to receive pay from their employers in the event of illness or disability. For NHS employees this ranges from one month full pay followed by two months half pay to six months full pay followed by six months half pay before pay from the employer ceases. For associates in dentistry income will cease immediately and for many in the private sector the only entitlement is to statutory sick pay. It is therefore important to ensure that you put in place a plan that will replace your loss of income when pay from your employer ceases or if you are self employed the level of income necessary to maintain your standard of living. All income protection plans are not the same and that is why you need advice that is unbiased and impartial to make sure you have the plan that suits you best. For example some plans will provide you with **OWN OCCUPATION** definition of disability whereas others are for **ANY OCCUPATION** and this is unsuitable for those who can get an **OWN OCCUPATION** definition of disability. That is one reason why you need independent financial advice.

MORTGAGE PROTECTION

Ideally the capital sum outstanding on your mortgage should be protected in the event of death or earlier serious illness. This is usually the largest financial liability you have so therefore it makes sense to have it fully protected. In the current climate where there are a number of homes that are in negative equity the importance of adequate mortgage protection needs to be realised. In the event of death the lender will want repayment of the full amount of the sum owing on your

mortgage and in the event of the property being sold for less the lender will still want to realise the full amount of the debt.

We would welcome an opportunity to review the arrangements you already have in place to protect your mortgage and if you have no protection in place we will advise how best to address this problem.



Iain Fleming

FAMILY PROTECTION

In the event of premature death most folk would not want to leave their spouse and family with a home and the mortgage repaid from the proceeds of the mortgage protection plan. Yet statistics point out that the greater majority of households are grossly uninsured in the event of premature death or an earlier serious illness. One must be realistic and ask if such an eventuality were to occur how well have you provided for your dependants? It is not enough to leave them with a home that is mortgage free and two times your basic NHS annual salary.

At Medimoneycare we can carry out a proper analysis of your current situation and help you work towards a solution that will provide your family with financial security and you with that all important peace of mind. Please give us a call to arrange a full review that we will carry out free of charge.

KEEP YOUR INVESTMENTS WORKING FOR YOU

With interest rates on deposits giving poor returns we have witnessed a major fall in income by those depending on their deposits to supplement pensions. This coupled with stockmarket volatility that has lasted almost two years has made life difficult for investors. This volatility has served to reinforce the basics of investment planning. There are four basic principles behind running any investment portfolio. These are understanding the risks; diversifying; monitoring regularly and keeping costs down.

In conjunction with our partners, Legacy Wealth we now use an investment process which focuses strongly on risk – not

just the risk you are comfortable with, but also the risk you may need to take to achieve your goals and this is a different matter entirely. To avail of this service we would recommend that you let us carry out a full review of your existing portfolio to help you maximise on returns in the future.

You may want to take advantage of recent changes to Individual Savings Account legislation that permits higher investment levels and enables you to move your cash ISAs without losing the valuable tax benefits you have accumulated. For a full review please give us a call or complete the reply slip and tick the relevant box.