

Family Protection

By Derek Baty, Financial Planning Consultant at Armstrong Watson

It's almost impossible to turn on the TV these days without seeing talking dogs, red telephones on wheels or annoying film directors telling us what great deals there are on car insurance, etc. We all know we should insure our cars – after all it's a legal requirement. Those of us who experienced the Carlisle floods in 2005 and had insured our homes were no doubt very grateful for the cover and help provided by the insurance companies. However one area that doesn't seem to receive its fair share of advertising revenue and therefore public awareness is ensuring your family is financially protected against life's unforeseen events.

I would argue that making sure your family is protected is of a higher priority than comparing prices for car insurance. After all, if you become ill and can't work how will you be able to afford to run a car let alone insure it if you haven't taken steps to protect your income against illness? Worst of all, how would your family cope financially with the death of one or both parents?

Putting a value on a life is impossible. However each year Legal and General carries out research into the value of a parent, or how much it would cost to employ someone to carry out the duties of a parent. This year's research concludes that the weekly value in England for a mother is £640 and for a father is £430. In Scotland the figures are £600 and £476 respectively. Perhaps just as worrying is that their research indicates that 43% of UK families and 72% of single people have never owned any protection policies.

Everyone has different needs and wants - maintaining the family's standard of living should a parent (or both) become ill or die, providing or protecting an inheritance, maintaining their income in the case of a single person or ensuring debts are repaid are just a few examples.

As with any form of insurance the key is to make sure you have the appropriate type and level of cover at the right price to help you cope during a difficult time. This is where getting hold of the best advice is

paramount. An independent financial adviser will have access to the widest range of plans offered by numerous insurance companies and will be able to use their knowledge and experience to find the right combination for your family's needs. I feel that taking independent advice is critical as other financial advisers will only have access to a limited range and not have access to the cheapest or most suitable plan for you.

* Source: Figures from Legal & General value of a parent research 2009. The reference to % without cover is from "mintel" - part of L&G research.

For further information on how Armstrong Watson can help you, call freephone 0800 195 2161 or email moneymatters@armstrongwatson.co.uk