



Future Protection

Tristan Hartey explains why having a safety net, in the form of Income Protection Insurance, is more essential than you might ever have realised

Income protection insurance is a long-term insurance policy that provides a monthly payment if you can't work because you're ill or injured, and typically pays out until you can start working again, or until you retire, die or the end of the policy term – whichever is sooner.

Income protection covers most illnesses that leave you unable to work, either in the short or long term (depending on the type of policy and its definition of incapacity). It's key to note that there is a waiting period before any payments start, so you generally set payments to start after your sick pay ends, or after any other insurance stops covering you. The longer you wait, the lower the monthly payments.

Employment and Support Allowance

The State does offer an Employment and Support Allowance (ESA); however this is a very basic form of monthly income. Even though the average UK household spends £1,503 a month, any ESA would only provide up to £125.05 a week. This figure is of course based on personal circumstances such as income, the type of ESA you're entitled to, and so on, and therefore you would really need to tighten the purse strings. That is why we would always recommend looking at an income protection insurance policy.

Worryingly, half of all Britons questioned for a study by insurer Zurich displayed a classic 'it won't happen to me' attitude to being unable to work through a disability. However, this isn't always the case and having an accident or suffering an illness that prevents you from



working could happen to anyone, at any time – that's why it's crucial to have the right protection in place to ensure you can still cover your monthly outgoings. ■

If you have recently started a family or purchased a house, it is more important than ever to have the relevant protection in place so for further advice please call us on 0808 168 5866.



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