



Brian Mellor Financial Services Limited

Russell House, 20 Stockwell Street
Leek, Staffordshire ST13 7AF

T: 01538 371288

F: 01538 372092

E: admin@brianmellorfs.co.uk

BRIAN MELLOR FINANCIAL SERVICES LTD

Financially unprotected

Dads putting their family's financial security at risk if the unexpected were to happen

What would happen to you and your family in the event of unforeseen circumstances, such as the diagnosis of a serious illness or premature death? Worryingly, research from Scottish Widows reveals that more than half (53%) of men in the UK with dependent children have no life cover, meaning that 3.9 million dads^[1] are potentially putting their family's financial security at risk if the unexpected were to happen.

INSURING AGAINST SERIOUS ILLNESS

Only 16% of dads have a critical illness policy, leaving many more millions at financial risk if they were to become seriously ill. Fathers are, in fact, more likely to insure their mobile phones (21%) than to insure themselves against serious illness.

More than a fifth (22%) of dads admit their household would be placed at financial risk if they lost their income due to unforeseen circumstances, and 28% say they could only pay their household bills for a minimum of three months. Two fifths (40%) say they'd have to dip into their savings to manage financially, but 42% say that their savings would last for a maximum of just three months.

BASIC LEVEL OF SUPPORT

The research shows that in the event of themselves or their partner dying, 22% of men with dependent children believe they could rely on state benefits to support their family. While this provides a basic level of support, we would firmly advise people to make their own provision for themselves and their families in order to provide peace of mind with the knowledge that there's a financial safety net in place.

Many fathers don't consider having insurance as a necessity, with 18% saying they don't see critical illness cover as a financial priority, 19% saying they don't think they need it and 17% saying they can't afford it.

BEREAVEMENT SUPPORT PAYMENT SYSTEM

With a new Bereavement Support Payment system now in place, it's more important than ever for dads to review their financial protection needs. You

may be able to get Bereavement Support Payment if your husband, wife or registered civil partner died on or after 6 April 2017.

It's estimated that 91% of widowed parents will be supported for a shorter period of time (now just 18 months) than they would under the previous system, which could pay out until the youngest child left school, according to research from the Childhood Bereavement Network. In 2014, 70% of claimants were female^[2], so it's important that fathers seek advice to make sure their household is covered.

CLAIMING FOR BEREAVEMENT BENEFITS

This is especially the case for cohabitants, who are not eligible to claim for bereavement benefits, despite the fact that 21% of couples with children are not married, according to figures from the Office for National Statistics for 2016.

There are many things to consider when looking to protect you and your family. Being diagnosed as suffering from a specified illness or the loss of income need to be considered as part of an effective protection planning strategy. ■

Source data:

Scottish Widows' protection research is based on a survey carried out online by Opinium, who interviewed a total of 5,077 adults in the UK between 16 and 27 March 2017.

[1] Percentage of adult population that are fathers with dependents = 735/5077 = 14.48%; 14.48% of adult population of 51,339,000 = 7.4 million; 53% of these don't have cover, so 3.9 million.

[2] Childhood Bereavement Network submission to the Commons Work and Pensions Select Committee

INFORMATION IS BASED ON OUR CURRENT UNDERSTANDING OF TAXATION LEGISLATION AND REGULATIONS. ANY LEVELS AND BASES OF, AND RELIEFS FROM, TAXATION ARE SUBJECT TO CHANGE. TAX TREATMENT IS BASED ON INDIVIDUAL CIRCUMSTANCES AND MAY BE SUBJECT TO CHANGE IN THE FUTURE.

ALTHOUGH ENDEAVOURS HAVE BEEN MADE TO PROVIDE ACCURATE AND TIMELY INFORMATION, WE CANNOT GUARANTEE THAT SUCH INFORMATION IS ACCURATE AS OF THE DATE IT IS RECEIVED OR THAT IT WILL CONTINUE TO BE ACCURATE IN THE FUTURE.

NO INDIVIDUAL OR COMPANY SHOULD ACT UPON SUCH INFORMATION WITHOUT RECEIVING APPROPRIATE PROFESSIONAL ADVICE AFTER A THOROUGH REVIEW OF THEIR PARTICULAR SITUATION. WE CANNOT ACCEPT RESPONSIBILITY FOR ANY LOSS AS A RESULT OF ACTS OR OMISSIONS.

DO YOU HAVE APPROPRIATE PROVISION IN PLACE TO PROTECT YOUR FINANCIAL PLANS?

No matter what our personal circumstances, it is vital for all of us to ensure we have an appropriate plan in place to protect our finances, helping avoid the need to dip into our savings, which could present even greater challenges further down the line. If you have any questions or queries, or you'd just like to know more about how to protect yourself and your family, get in touch with us and we'll be happy to help.