

## **Insurance throws a life jacket**

Most of us begrudge paying insurance premiums and the industry frequently has a bad press for delaying paying out claims or refusing to pay them at all. Despite this every year many billions of pounds are paid out in claims.

This is the view of Richard Jones of Security Financial Services who reveals that Scottish Provident alone paid out over £46m for critical illness claims in the first six months of 2007, with only 8.7% of the claims not been met due to medical history not being fully disclosed on the application forms.

He also reports that figures from Scottish Provident show that 58% of their critical illness claims were for cancer and the average age of the claimant was 44.

According to Richard, many will think that these are just statistics, but to the individuals and families concerned already battling with emotional stress, the payment of these claims represents a massive reduction in the financial worry that is often associated with illness and death.

He goes on: "My experience bears this out and this is one of the many examples I could relate. A life policy I arranged for Eric, who was 39 with a wife and three children, resulted in £200,000 being paid within weeks of him being diagnosed as being terminally ill. This enabled him to put his finances in order before he died. Since the start of the policy several years before, he had paid less than £500 in premiums."

Richard says his advice in general would be to avoid extended warranty, loan insurance and accidental death policies because mostly they don't represent good value for money. You should be giving very serious consideration to arranging life, critical illness and income replacement insurance, completing the application forms as honestly as possible. You will then have done the best you can to provide both you and your family with a degree of financial security if the worst should happen.

He adds: "The question I must ask is why do 74% of the population have buildings and contents insurance but only 50% have life insurance; phone an IFA on this page and review that you've got what you need."

Security Financial Services is authorised by the Financial Services Authority.