

A Guide to Wealth Protection

How to safeguard your income, your family and your future, with expert guidance from your financial adviser

This guide contains 14 pages and will take approximately 10 minutes to read



What's Inside

Protecting your wealth isn't just about investments. It's about keeping your family safe no matter what life throws at you. This guide covers the key steps every household should think about.

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What Is Wealth Protection?

Wealth protection is the process of identifying and protecting your assets from potential risks and liabilities. It involves a comprehensive review of your financial situation and the implementation of strategies to safeguard your wealth for the future.

Wealth protection is a proactive approach to financial planning that helps you identify potential risks and liabilities before they become a problem. It involves a comprehensive review of your financial situation and the implementation of strategies to safeguard your wealth for the future.

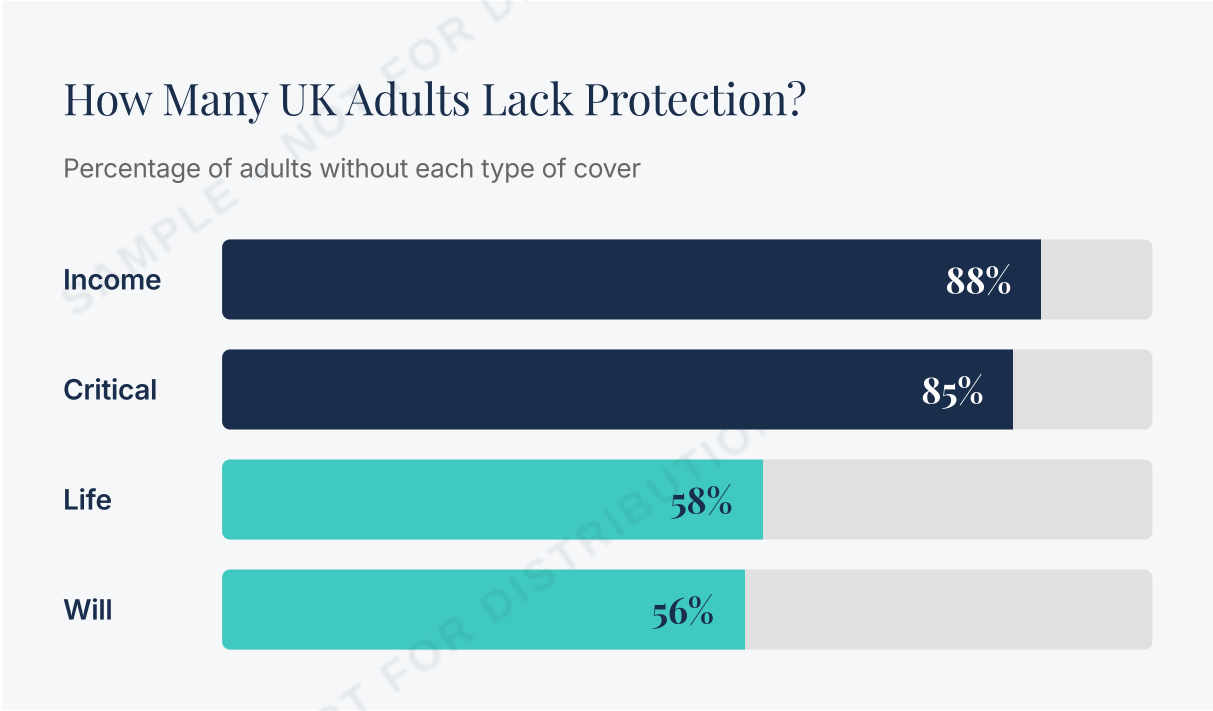
- Identifying potential risks and liabilities
- Implementing strategies to protect your assets
- Reviewing and updating your wealth protection plan regularly



The UK Protection Gap

Millions of UK households are still not fully protected against risks that can severely impact their lives. The gap between what they need and what they have is stark.

58% of UK adults have no protection product	£118 weekly Statutory Sick Pay (SSP)	96.9% of protection claims paid (ABI 2024)
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Income Protection

Income protection gives you a regular top-up income if illness or injury stops you from working. It covers any health issues that stop you from your job, not just a set list of named conditions.

How It Works

You can choose how much you want to be paid (usually 55-70% of your salary). The plan covers how long to wait before payments start, and how long the policy lasts. Our adviser can help you find the right balance between cost and cover.

What Triggers a Claim?

The most common reasons for claiming are:

- Back and joint problems (20% of salary)
- Cancer (20% of salary)
- Mental health (20% of salary)

The policy must last 5 years and 6 months. This is why short-term cover on its own may not be enough.



Ask your adviser

How much income protection do I need? How long will my policy last? What are the waiting and claim periods?

Life Insurance & Family Income Benefit

Life insurance policies can be written to provide a lump sum to your family if you die during the policy term. It is important to consider your protection needs, including family needs that change over time.

Level Term vs Decreasing Term

Level term policies pay the same amount to your family when you die. Decreasing term policies pay less as time goes on, matching your mortgage balance, so it could be a better option if you want to cover the cost of your family's living costs.

Family Income Benefit

Instead of one lump sum, family income benefit pays a regular income to your family from the date of your death until the policy ends. Many families find this easier to manage than a lump sum.

Writing Policies in Trust

Writing your life cover in trust means the policy will pay your estate. The estate will then provide the proceeds to your family. This can be useful if you want to avoid probate or if you want to change the beneficiaries of the policy.

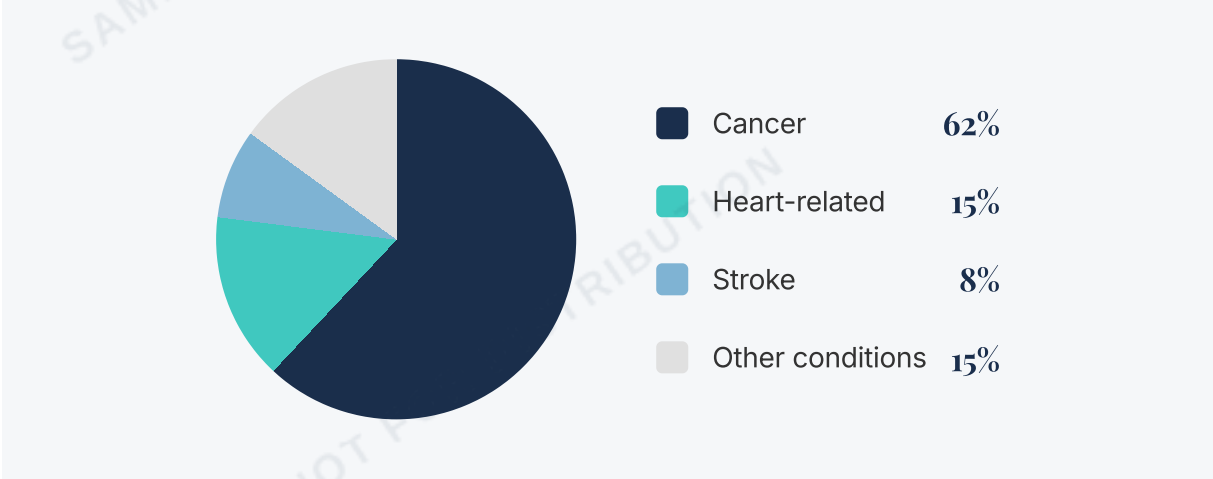
UK Claims Data

£8bn

96.9%

Critical Illness Cover

Critical illness cover can help you pay for long-term care if you are not able to work or have a serious condition. The money can also cover your mortgage and the treatment of you and another family member.



Average Critical Illness Payout

£68k

The average claim payout in the UK is £68,735, enough to clear a large chunk of a typical mortgage or fund time off work to recover.

Did you know?

Did you know you can get critical illness cover for your mortgage? It can help you pay for long-term care if you are not able to work or have a serious condition. The money can also cover your mortgage and the treatment of you and another family member. Find out more about critical illness cover and how it can help you protect your future.

The Taylor Family

How protection works in practice for typical UK family

S&J

Simon & Jessica Taylor

Simon, 45, is a senior manager at a large company. Jessica, 42, is a self-employed consultant. They have two children, aged 12 and 10. They have a mortgage of £250,000 and savings of £12,000.

Income	£85,000
Mortgage	£250,000
Savings	£12,000

Goals: Protect income Protect family

Plan ahead

Current situation

- No life insurance
- No will
- No trust
- No protection for income
- No protection for mortgage



Proposed solution

- Life insurance £250,000
- Will
- Trust for income
- Mortgage protection
- Savings

Key message

The Taylor family have a mortgage of £250,000. If Simon or Jessica were to die, the mortgage would need to be repaid. This could mean the family losing their home. The proposed solution is to protect the mortgage with life insurance, make a will, and set up a trust for income. This will ensure the family can keep their home and have income to live on.

Employer Benefits & Tax Treatment

Many employers include some or all of the following benefits packages. Knowing what you already have, and what you need, is key before you arrange your own cover.

Feature	Employer Scheme	Personal Policy
Death benefit	Typically 2–4x salary	You choose the amount
Income protection	Often limited to 2 years	Can pay to retirement age
Portability	Lost when you leave	Stays with you
Tax on claims	Benefits may be taxable	IP claims are tax-free
Medical underwriting	Usually automatic	Medical questions required
Who pays	Employer (free to you)	You pay premiums

Don't assume you're covered. The above can show you what benefits you get for free. This means that the employer cover is free to you, but it may require other arrangements to be in place.

Trusts, Wills & Lasting Powers of Attorney

Protection your beloved inheritance, making sure your wishes are written down and your affairs are in order is just as important. Without the right paperwork, your family could face stress, with costly disputes.

Why You Need a Will

More than half of all adults have no will. Without one, the law decides who gets what, and the result may not match your wishes. A will makes sure your money goes where you want. It names who looks after your children. Don't get left with no will.

Lasting Powers of Attorney

An LPA lets someone you trust make decisions for you if you can no longer decide for yourself. There are two types: one for money matters and one for health and care. Without an LPA, your family will need to go through the courts, which is a slow and costly process. It costs to register each LPA.

IHT nil-rate band	£325,000
Residence nil-rate band	£175,000
LPA registration	£82 each
Intestacy statutory legacy	£322,000

Your Protection Checklist

Use this checklist to identify what your protection plan may have gaps. Tick off each item you already have in place and discuss any gaps with your financial adviser.

1 Will your protection in place Do you have a will? Do you have a trust?	2 Life insurance Do you have life insurance? Do you have a life insurance policy?
3 Other financial assets Do you have other financial assets? Do you have a pension?	4 Other financial assets Do you have other financial assets? Do you have a pension?
5 Business assets Do you have business assets? Do you have a business?	6 Private pensions Do you have private pensions? Do you have a private pension?
7 Other assets to pass Do you have other assets to pass? Do you have other assets to pass?	8 Other assets to pass Do you have other assets to pass? Do you have other assets to pass?
9 Emergency fund Do you have an emergency fund? Do you have an emergency fund?	10 Investment assets Do you have investment assets? Do you have investment assets?

Your Next Steps

Setting your family's protection plan doesn't have to be hard. Start with these simple steps.

1 Review Your Current Position 30 MINS

Put together your current policies, with benefits and pension details. Write down what you have and how much.

2 Identify Your Gaps WITH ADVISER

Talk to your adviser to compare what you have against what you need. We can help the numbers to show where you are.

3 Put Your Plan in Place 1-2 WEEKS

Your adviser will suggest the right products, handle the paperwork and make sure everything is set up properly, including trusts where needed.

4 Review Annually 30 MINS/YEAR

Review your policies, trusts, pension details and any other changes that you need. It's easy to check things with your adviser.

Contact your adviser on [0800 000 0000](tel:0800 000 0000) or visit www.legalandgeneral.com to book your protection review.



"The best time to protect your family's future was yesterday. The second best time is today."

Your Financial Adviser

Let's Build Your Protection Plan Together

Our team is here to help you protect what matters most. Whether you need a full review of your cover or just want to know your options, we'll guide you every step of the way.

Ready to take the next step?

Call us on 0800 XXX XXXX or email advice@example.com to arrange your complimentary protection review.