

# Viewpoint



*Over 30 years of trusted and tailored financial advice*

## **Plugging the protection 'gap'**

Becoming your own boss could leave you exposed.

## **Valuations vs Surveys**

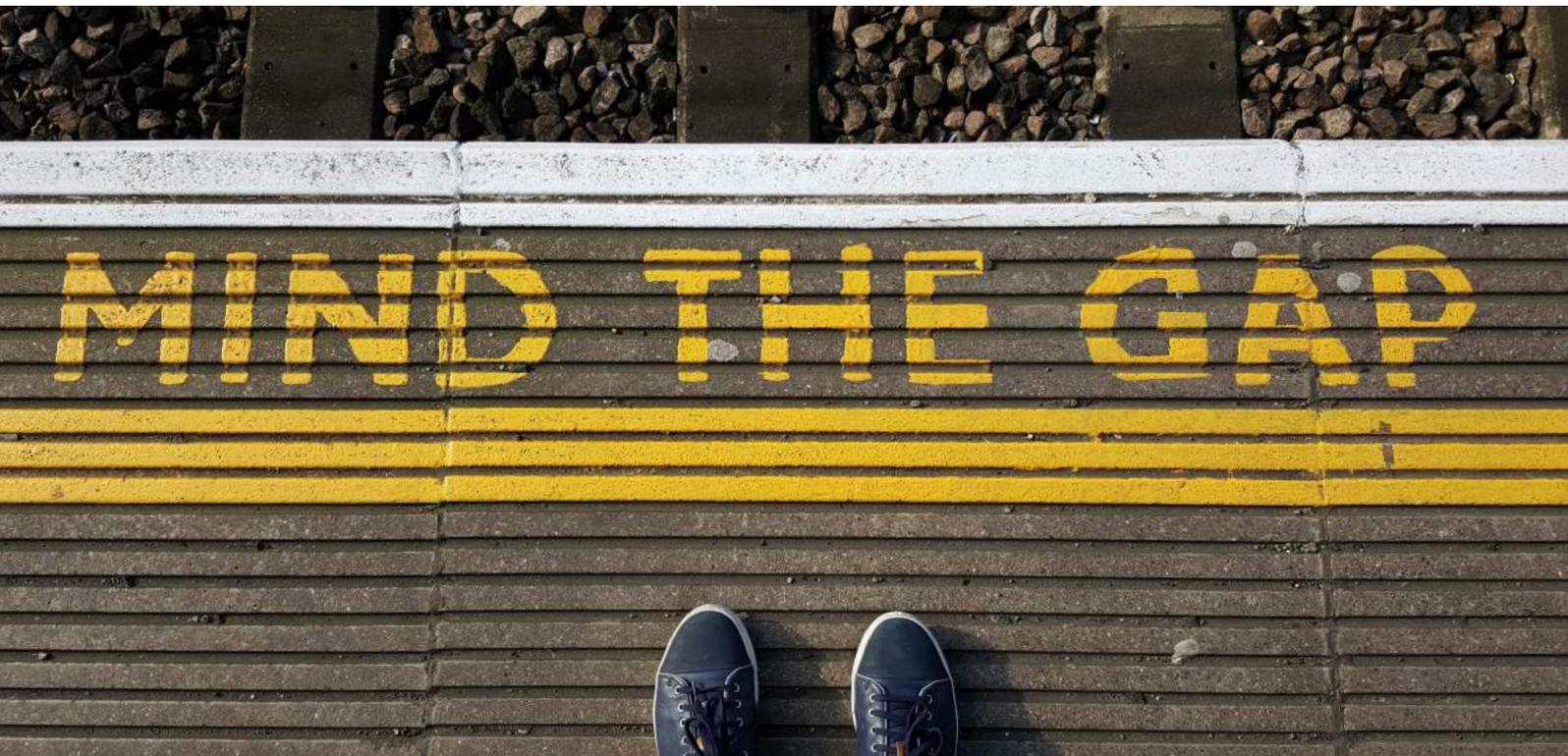
Which should you choose when buying a new home?

## **The value of our advice**

How we help people to set and realise their financial goals.

# Plugging the protection gap

If you're one of the increasing number of people who've become self-employed in recent years, you may have found the switch has left you without the employee benefits you previously took for granted.



Making the change from employed to self-employed is a big step and it's one more people are taking. The number of self-employed people in the UK now stands at 4.80 million, representing 15% of the working population.

But while some may find they can earn more as a result, they might overlook the importance of replacing lost employee benefits like income protection and life insurance.

## Death in Service

Many employed people automatically benefit from life insurance arranged on their behalf by their employer. This would pay a multiple of their annual salary were they to die while still employed, which could then be used to pay off a mortgage or maintain their family's lifestyle.

Some employees receive a proportion of their salary for a period of time if they become unable to work due to illness or injury (over and above statutory sick pay levels) and may benefit from access to private medical treatment.

Clearly, moving from employment to self-employment would mean these benefits cease, and potentially leave a protection 'gap'.

## Mind the gap

Fortunately, the benefits you may have received automatically as an employee are also available to you as a self-employed individual - and they may be more affordable than you think.

*Income protection insurance* will pay you a monthly income if you become unable to work through illness or injury. Self-employed workers should consider this an essential piece of protection because it can help prevent your family suffering financial hardship and allow you space to recover more quickly without the burden of financial worry. Many insurance companies also provide support for customers to help them return to fitness as quickly as possible.

*Life and critical illness plans* can be individual plans or combined. Life insurance will pay out a lump sum or a regular income to your dependants if you were to die during the term of the cover. Critical illness plans pay out a lump sum if you are diagnosed with a specific illness. Both can help secure your family's financial future.

*Private medical insurance (PMI)* may be considered less of a priority than either income protection or life insurance, given the treatment you are entitled to via the NHS. For those seeking to replicate all the benefits they may have enjoyed when employed, there are a range of policies available at varying price levels. If you are interested in PMI we can introduce you to our PMI referral partner.



## Are you covered?

*If you're self-employed, it's easy to make sure your employment status doesn't put your long-term financial security - and that of your family - at risk. Get in touch to discuss your protection options.*



## Valuations vs Surveys

Buying a house... is a valuation sufficient, or should you opt for a full structural survey?

*Buying a house is probably the biggest financial purchase you'll make in your lifetime and at a time when you're already spending a lot of money, a survey can sometimes seem like a big expense. However, knowledge is power and it's better to be informed of any potential issues before proceeding with the purchase otherwise it may end up costing you further down the line.*

When you're at the exciting stage of buying a new property it's easy to get seduced by the appearance of your potential new home, and risk ignoring any hidden problems which could cost you later on.

That's where a survey can give you peace of mind to purchase your new home with confidence. But with a number of options available, which is the best type of survey for the property you're buying?

### A summary of surveys

The type of survey you should go for depends a lot on the age and location of the property. For example, if you're buying an older property it's sensible to select for a more detailed report than perhaps someone who's buying a new-build. The latter usually come with a National House Building Council (NHBC) 10-year guarantee for any big faults or defects in construction or materials.

We've summarised the different types of surveys available to help you make an informed decision:

#### Basic mortgage valuation

The sole aim of the basic mortgage valuation is to satisfy the lender that your chosen property is worth the price you're paying before they approve your mortgage. It doesn't go into any detail on the state of the property.

It's important to remember that this survey is for the benefit of your mortgage lender and doesn't provide you with any guarantees about the state of the property.

#### Homebuyers report

This is a detailed report for 'standard' properties which are in reasonably good condition. It provides a more in-depth inspection that will help you find out if there are any structural problems, such as subsidence or damp, as well as any other hidden issues - inside and outside the property. It will also give advice on any defects that may affect the value of the property, along with recommendations for repairs and ongoing maintenance.

A homebuyers report excludes the cost of estimates for repairs.

#### Full structural survey

Now known as a Building Survey, this is a comprehensive report providing a full breakdown of the fabric and condition of the property, with diagnosis of defects and repairs and maintenance advice. Typically these types of surveys are more suitable for properties that are listed, have an unusual construction, or require significant renovation.



# The value of our advice

Good financial advice and planning helps people to protect and build their assets, make the most of their investments and help to achieve the goals and lifestyle they desire.



*For more information about any of our services, please get in touch.*

## Establishing priorities

Every client we meet has a unique and varied range of financial planning needs, so it's important to establish priorities right from the start if we are to create a meaningful and relevant plan.

As time passes, your financial plan will need to evolve, and regulatory changes can impact the effectiveness of any structures already in place. That's why we recommend a regular review to ensure that your plans remain on track and relevant.

## The importance of ongoing advice and service

If you choose to receive ongoing advice and service from us, we'll invite you to regular meetings where we will monitor the progress of your plans and discuss any adjustments required in the light of changing circumstances.

We believe that ongoing service can help you continue to make well-informed choices and give you the best chance of achieving your goals through key life stages.

## Five promises we make to our clients



1. We will help you arrange your finances so that they work as effectively as possible towards funding your life goals.



2. We will help you take steps to ensure your income, assets and family are protected from the impact of long-term illness, disablement or death.



3. We will advise you on how your investments can benefit from relevant tax reliefs and allowances. We will also advise you on the most effective way of withdrawing income or capital from your arrangements when the need arises, or how best to pass wealth to your intended beneficiaries.



4. We will help you keep your plans in focus by regularly meeting with you to review and refresh arrangements. This might be a result of changing personal circumstances, legislation, new opportunities and any other factors relevant to your situation.

5. We will be accessible and responsive whenever you wish to contact us with queries or requests.

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