



How to buy protection insurance if you have disabilities or medical conditions

Designed to help you if you need find protection insurance to suit your particular needs



What is protection insurance?

Life insurance, critical illness insurance and income protection are the three main types of protection insurance.

Life insurance

This is the most common and straightforward type of protection and pays out a lump sum or monthly income if you die during the time that the policy is in force.

Critical Illness Insurance

This type of policy will pay out a lump sum or monthly income if you are diagnosed with a serious illness that is listed in your policy. It can include, for example, an invasive cancer, serious heart attack or stroke. Some policies will also pay out a lump sum if you become totally disabled and are never able to work again, for example following a serious road traffic accident. You can choose how to spend the lump sum and, once it is paid, you can keep it even if you make a full recovery.

Income Protection

This type of policy allows you to insure your earned income in case you develop a long-term illness or disability. Most policies will make start making monthly payments to you after you have been ill or disabled for an amount of time written into the policy - usually between one month and one year. Some policies are more flexible and can cover you from the first day of illness. Most policies end when you reach a certain age, usually between 60-70.

What are the benefits of protection insurance?

Protection insurance can give you and your dependents some financial security if you die or become seriously ill or if you can't work for a long period. This type of insurance can give you:

- Peace of mind that your partner, family or other dependents will not be left with a mortgage that they cannot afford;
- Peace of mind that your partner, family or other dependents will be financially secure if you were to die;
- Peace of mind that you can replace most of your income if you cannot work because of an illness or disability; and
- Peace of mind that you can have a lump sum or a regular income payment if you become seriously ill or disabled.



When can it be difficult to buy protection insurance?

Many people that need this important type of insurance simply don't know where they can get a policy that suits them. If you have a disability or have had a medical condition such as a heart attack, stroke, cancer, diabetes or a mental health condition some insurers may not be able to insure you, or charge a much higher premium or exclude your medical condition.

Specialist firms can help

The good news is that there are specialist insurance advisers, brokers and insurers who can help you get cover that meets your needs in the majority of cases. They will work with you to get a clear understanding about your health, and they will take into account the fact that you may have several different conditions that can affect your insurance cover. When you talk to one of these specialists it is important that you tell them about all of your conditions, otherwise a claim could be turned down or the pay-out reduced.

Will I pay more?

Not always. Many disabilities and medical conditions do not affect your protection insurance but in some cases a higher premium might be charged because the insurers have an increased risk of a claim. It is important to know that these costs might not be as much as you think and need to be weighed against the importance to you and your family of having protection in place.

Will I have exclusions on my policy?

For life insurance usually the answer is no, but everyone is different, and your case can be dealt with based on the cover needed and the seriousness of your medical conditions or disability. With critical illness and income protection there is more chance of an exclusion than with life cover, but a specialist adviser will tell you what is and is not covered so you can make an informed decision.

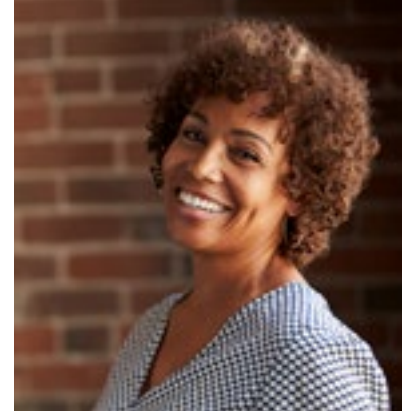
Who are these specialists and how do I find them?

You can find a specialist protection insurance adviser by using BIBA's Find Insurance service which can be accessed via www.biba.org.uk or by calling 0370 950 1790.



Case studies

The following are real life examples of how consumers with serious medical conditions or disabilities have been helped:



Case study 1

A woman aged 33, who was a former smoker, wanted to buy life and critical illness protection. She had an underactive thyroid diagnosed in her teens and high cholesterol diagnosed a few years ago though she did not need to take medication. In addition, she had mental health issues stemming from an abusive homelife. When young she had a mental health crisis which led to overdoses and self-harming. She had been hospitalised once as a result of mental illness. She was eventually diagnosed with PTSD, and now sees a psychiatrist regularly. Her last overdose was 12 years ago.

£200,000 level term life insurance over 40 years was successfully arranged for a cost of £46.83 per month. £45,000 level term life and critical illness insurance over 33 years was also arranged for a cost of £36.12 per month.

Case study 2

A man aged 33, who is a non-smoker, wanted life insurance. He had a slightly raised body mass index (BMI), and he was diagnosed as HIV positive 10 years ago. He started Antiretroviral therapy (ART) shortly after being diagnosed. His condition was very well controlled, with undetectable viral loads and a good white blood cell count. He also experienced occasional migraines.

£100,000 level term life insurance over 20 years was successfully arranged for a cost of £13.31 pm.

Case Study 3

A woman aged 53, who is a smoker, wanted income protection insurance. Fourteen years ago, she had stage 2 breast cancer, with no lymph node involvement. It was a large tumour. She underwent a single mastectomy to remove the cancer. She has suffered from stress as a result with the last symptoms appearing around two and a half years ago with no issues since.

Income Protection insurance - with a benefit payment £2,000 per month payable after 13 weeks incapacity until age 65 - was arranged for £136.19 per month. The policy included an exclusion for mental health disorders.