

INCOME PROTECTION

If illness or injury stops you earning, it keeps your income flowing.



Is your family ill prepared?



Ever wondered how you and your family would cope financially if you became too ill to work?

That's the value of income protection.



Here's what makes it the best insurance you've probably never heard of....

01. Illness is the biggest risk to your family's financial security

Despite this, life insurance remains the sole priority for many families. Now, there's no doubt life insurance is important, but when you consider illness is the biggest risk to our income, it should rarely be the first and only policy you buy.

It makes much more sense to protect yourself against illness first, which is why more and more people are recognising the value of income protection.

02. Income protection covers any illness, not just critical ones

Don't confuse income protection with critical illness cover. They're really very different.

Critical illness policies pay out a lump sum if you're diagnosed with a serious illness as defined by the insurer.

However, an illness doesn't need to be serious to stop you from earning. In 2021, just under half of all sickness absence in the United Kingdom was due to minor illness, mental health or musculoskeletal problems. Conditions not covered by critical illness policies.*

The beauty of income protection is that it pays out if you're too ill to do your job, not just any job, regardless of the illness or injury. Think of it as fully comprehensive illness cover.

Full terms and conditions can be found on our website at www.the-exeter.com

*Source: ons.gov.uk. Sickness absence in the UK labour market: 2021.



The benefits of income protection continued...

03. Income protection keeps paying out month after month

You never quite know how long an illness will last.

Unlike critical illness cover which may only pay out once, an income protection policy will pay a monthly benefit until you're well enough to return to work. So, there's no need to worry about a lump sum running out.

What's more, once you recover, the policy stays in place so if in the future illness prevents you from working, you can claim again.



04. If you're too ill to work don't expect much help from the government

Could you manage on just £109.40 per week?

It's tempting to think that if you become too ill to work you can just rely on the state for financial support. However, any help you receive will be minimal.

If you're employed, you may have an employer sick pay arrangement for a period of time. After that, you're entitled to Statutory Sick Pay (SSP) of £109.40 per week for up to 28 weeks.

If you're self-employed the picture is even worse. You're not entitled to SSP, so you'll need to rely on an application for Employment and Support Allowance from day one.



05. Income protection protects your savings as well as your income

It can be difficult to save money.

Even if you're lucky enough to be able to put away a little each month, it can take years to build up a modest rainy-day fund. After all that effort, the last thing you would want is to have to spend your hard-earned savings on paying everyday bills. But if you became too ill to work, you may have no choice.

However, with an income protection policy in place, your savings are safe. The monthly benefit it pays could take care of everyday bills, so you can look forward to keeping your savings for the good things in life.



The benefits of income protection continued...

06. It's surprisingly affordable

Income protection comes with a range of options to help keep premiums affordable.

Choice of premium options.

You can choose between level guaranteed or age-costed premiums. Level guaranteed premiums stay the same for the length of the policy, whilst age-costed premiums give you the flexibility of a lower starting price which increases over time.

Choice of claim period.

A long-term claim period means a claim could potentially pay out for the length of the policy. Or you could opt for a cheaper, limited claim period of either two or five years meaning that each individual claim pays out for a shorter period of time.

Choice of waiting period.

This is the length of time after becoming too ill to work that you wait before your monthly benefit payments start. The options range from one day to one year. The longer the waiting period, the lower your premiums will be.



Most people can protect the majority of their monthly income for a fraction of their monthly income.

For example, a 35 year-old non-smoker earning £35,000 a year, could pay...

Less than **£10**
A MONTH

FOR

£1,750*
OF MONTHLY BENEFIT

Or put another way they can protect 60% of their gross monthly income for less than 1% of their gross monthly income.

*based on age-costed guaranteed premiums, a retirement age of 65, with a two-year claim period and 26 week waiting period.



07.

It's proven to pay out

Remember all illnesses or injuries that prevent you from working are covered.

As you can see from our claims statistics, we pay out on the vast majority of claims for everything from bad backs and mental illness right through to cancer, strokes and heart attacks.

Our 2023 claim statistics.

96%

of claims were paid

88 weeks

was the average length of claim for policies with a full-term claim period

£11.3 million

was the total amount we paid out

60%

of claims were due to musculoskeletal conditions, hip/knee conditions and gastrointestinal conditions

7.5%

of claims were due to mental health conditions

8.7%

of claims were due to critical illnesses such as cancer, strokes and heart conditions

To find out more talk to your financial adviser or visit: [the-exeter.com](https://www.the-exeter.com)

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