

# Financial protection

## **Protecting your income, your family, and your future**

Financial protection is a fundamental part of a well-structured financial plan. While investments and savings focus on growth, protection planning focuses on resilience — ensuring that unexpected events do not undo years of careful planning or place unnecessary strain on you and your family.

At Culver, we believe financial protection is not about assuming the worst, but about creating reassurance. With the right protection in place, you can move forward knowing that your finances are supported, even if life takes an unexpected turn.

## **Why financial protection matters**

Illness, injury, or loss of income can happen at any stage of life. For many households, regular income is essential for meeting everyday costs such as mortgage payments, rent, utilities, childcare, and general living expenses. Without adequate protection, a sudden interruption to income can quickly lead to financial pressure at an already difficult time.

Financial protection helps ensure:

- Your family can maintain their standard of living
- Financial commitments continue to be met
- Long-term plans, such as retirement or education funding, remain intact
- Emotional stress is reduced during challenging circumstances

Protection planning is particularly important where there are dependants, outstanding debts, or reliance on a single income.

## **The role of protection within a financial plan**

Protection is often described as the foundation of financial planning. Without it, even the strongest investment strategy can be undermined by unexpected events.

By addressing protection early, you create a safety net that allows other parts of your financial plan — such as saving, investing, and retirement planning — to operate with greater confidence and stability.

## **Understanding the main types of financial protection**

### **Life insurance**

Life insurance provides financial support to your loved ones in the event of your death. It can be used to:

- Replace lost income
- Repay mortgages or other debts
- Cover everyday living costs
- Support future financial needs, such as education

Life insurance can be arranged for a fixed term or for life, depending on your objectives. Cover levels should reflect your family's needs, liabilities, and future plans.

### **Critical illness cover**

Critical illness cover pays a tax-free lump sum if you are diagnosed with one of a list of specified serious illnesses. This payment can be used in any way you choose, including:

- Covering medical or care costs
- Making lifestyle adjustments
- Reducing financial pressure during recovery
- Allowing time away from work

Critical illness cover can provide valuable financial flexibility at a time when focus should be on recovery rather than finances.

### **Income protection**

Income protection is designed to replace a portion of your income if you are unable to work due to illness or injury. Unlike some other forms of protection, income protection can provide long-term support, often until you are able to return to work or reach retirement age.

Key features include:

- Monthly income payments
- Deferred periods aligned with employer benefits or savings
- Cover tailored to your occupation and income level

Income protection is particularly important for self-employed individuals or those without generous employer sick pay.

### **Assessing your protection needs**

There is no "one-size-fits-all" approach to protection planning. The right solution depends on your personal circumstances, lifestyle, and financial commitments.

Key factors to consider include:

- Whether you have dependants
- Your level of income and reliance on it
- Outstanding mortgages or loans
- Employer benefits and sick pay arrangements
- Existing protection policies

A detailed review helps identify gaps and ensures cover is proportionate and relevant.

### **Common misconceptions about financial protection**

Many people delay protection planning due to misconceptions, such as:

- “It’s unlikely I’ll need it”
- “I’m covered by my employer”
- “It’s too expensive”

In reality, employer benefits are often limited, and protection is usually more affordable when arranged earlier. Reviewing options early allows for greater choice and flexibility.

### **Reviewing protection as life evolves**

Protection should be reviewed regularly to ensure it keeps pace with life changes, including:

- Marriage or divorce
- Having children
- Career changes or self-employment
- Increased borrowing or home ownership

Regular reviews help ensure your protection remains relevant and effective.

### **Our approach**

At Culver, we take a thoughtful and personal approach to financial protection. We begin by understanding your circumstances, priorities, and concerns before recommending solutions that are clear, appropriate, and aligned with your wider financial plan.

Our focus is not on selling products, but on helping you build a robust financial foundation — one that supports you and your family through every stage of life, whatever the future may hold.