

Why consider critical illness cover?

Individuals and families across the UK are benefiting from Critical Illness Cover. Here we explain what it is.

Critical illness insurance pays out a one-off, lump sum if you're diagnosed with a condition or disability that is covered by your policy. It can be offered when someone applies for life insurance – as extra coverage.

Child critical illness policies, e.g. cover for cancer and other serious illnesses, are available.

In a similar way to some life insurance plans, critical illness covers a set number of years. You can specify whether you want the payout to rise over the course of the term (so it keeps up with inflation) or the opposite – decreasing because your aim is to cover something specific like your mortgage.

If you're thinking about critical illness cover, it's important to speak to your financial protection adviser who can help you decide how much cover you'll need and how long the term should last.



What is typically covered?

Products vary depending on the provider. Certain illnesses are covered as standard by most insurers, including, cancer, heart attack, stroke, organ failure, multiple sclerosis, loss of arms or legs and Alzheimer's and Parkinson's disease.

Some providers may allow you to add additional illnesses to your policy, which you'll pay more for. Your children could also be covered as part of your policy so it's worth asking your adviser about these options if it's something you're keen to have in place.



What is typically not covered?

Although a diagnosis of a critical illness can mark the start of a claim in some policies, others may only begin to offer protection once your illness hits a certain level of severity. For example, if you are diagnosed with cancer, payments may only begin when permanent symptoms have been officially diagnosed. Additionally, not all types of cancer are necessarily covered by critical illness protection.

It's important to work with your financial adviser when reviewing a policy and all the small print before you commit to make sure you are sufficiently covered – and aware of areas not included.



Pre-existing conditions

Just like the life insurance application process, critical illness protection requires you to disclose any pre-existing conditions. If you don't then your policy could be invalid.

Your adviser can search the market for a suitable plan, but you'll probably have to pay more in premiums and there will likely be some extra exclusions. The price you pay will vary, based on things like age, occupation, state of health, lifestyle and how much coverage you need and for how long.



Do you need critical illness cover?

There are things to consider if you're worried about being diagnosed with a critical illness and the impact on your income and ability to keep up with bills (which would not be covered by state benefits when you're unable to work).

Your adviser will help you look at the following areas:

- Your employer's coverage – is there any paid leave for illness or disability and for how long?
- Do you have an existing life insurance policy and if so, does it have any illness coverage included?
- Could you consider income protection insurance as an alternative to critical illness?
- Do you have sufficient savings and investments you could use in place of critical illness cover?

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If you want to proceed, it's important to work with your adviser to see how much protection you'll need. This means looking at your monthly outgoings and how much you and your family require to live comfortably. You might want to add in any potential costs from medical treatment you may need.

During these important decisions it's easy to lose track of the small details, which is why your adviser can help make the process easier for you and your family and give you some peace of mind.

We can examine your needs and existing policies and then find you the right cover that protects your finances – and your family – should anything happen.

Here's how financial protection can offer security for parents

Serious illness can place immense stress on our families. The cost of caring for an unwell child, worry over access to essential services, and the emotional toll of serious illness are all things that no parent wants to think about.

We can't predict what the future will hold for the health of our families, but we can take proactive steps to prepare for the risk that we or our children might become critically unwell.

Appropriate financial protection can be a vital safety net for parents, providing essential cover for children and easing the pressure of caring for them.

Critical illness payouts can help you care for your child

No parent wants to consider the possibility of their child becoming seriously ill, but planning for the worst can offer the greatest peace of mind. Robust and appropriate financial protection can help shore up your finances and allow you to focus on caring for your child.

Critical illness cover pays out a lump sum if you are diagnosed with an illness covered by the policy. Many of these policies include cover for a child of the policyholder, paying out a proportion of the full amount if they become seriously ill. This payout provides a financial safety net, covering your expenses and allowing you to take time away from work to care for your child.

Critical illness cover may also come with other benefits that can offer further support for your family, such as:

- A payout if your child is hospitalised because of an accident.
- Cover for the cost of accommodation so that you can be close to your child if they're in hospital.
- Childcare costs if you're diagnosed with a serious illness that's covered by your policy.

The cost of critical illness cover varies depending on how large you want a potential payout to be, as well as other factors like your age and general health. It's important to note that you'll only be covered as long as you keep paying your premiums.

Children are often automatically included in critical illness cover but this isn't guaranteed. Contact your provider for clarification and be aware that your premiums could rise if you add a child to a policy that doesn't already cover them.

Cover for a child typically starts from the first few weeks after birth and lasts until they're 18, or 21 if they're in full-time education, but this can vary between providers. There may be other restrictions to critical illness cover that you should be aware of – some policies will only allow one claim per child whilst others might exclude certain conditions that are present from birth.

It's important to check the details of critical illness cover thoroughly when comparing your option to make sure that you're buying the right cover for your circumstances.



Private medical insurance could help provide better care for your family

You may want to consider taking out private medical insurance to compliment the security that financial protection could offer you. The Guardian reports that the private health insurance market has grown by £385 million in the last year. At the same time, rising wait times and staff shortages are causing public satisfaction with the NHS to slump according to the long-running British Social Attitudes survey.

Private medical insurance can help to put your mind at ease by reducing waiting times for a range of services (like tests and consultations) whilst giving you a wider choice of treatment providers. It could also help to cover the cost of a private room, giving you and your family greater privacy if you need to stay in hospital overnight.

Private health insurance can cover much more than just physical illness. Some providers offer access to counselling and mental health services which are becoming increasingly important for the wellbeing of younger generations – the number of children and young people seeking support for their mental health increased by 25% from 2022 to 2023 according to data from Aviva.

The cost of private health insurance and the level of cover you'll receive are influenced by a range of factors, including who you want the policy to cover, your lifestyle, and family medical history. It's important to take the time to understand how comprehensive your options are and any exclusions that might affect your family.

Talk to us to see how we can help protect your family

Financial protection is just one way that you can prepare for the unexpected. Get in touch if you'd like to know more about financial protection for your family against serious illness.

Please note: Financial protection plans typically have no cash in value at any time and cover will cease at the end of the term. Cover will lapse if premiums are unpaid. Cover is subject to terms and conditions and may have exclusions. Definition of illnesses vary between providers and will be explained in policy documentation.

Value of Protection – Claims Payouts

Day in, day out our Advisers are arranging financial protection for individuals and families across the UK. There have been thousands of claims paid over the past year, with millions paid in claim payments to clients of Owl.

According to the ABI (Association of British Insurers) "Every single day in 2023, the protection insurance industry paid out over £20 million to individuals and families affected by serious accidents, illnesses or even the deaths of loved ones. The financial impact of these events can be devastating, adding even more stress to traumatic situations. These figures demonstrate that insurance plays a crucial role in supporting people financially when they need it most."

The ABI report that the proportion of claims accepted remains high **at 98.3%**. One of the main reasons for declined claims were policyholders failing to disclose existing medical conditions when they applied. **This is something that cannot be stressed enough** – all questions must be answered fully, honestly and accurately.



Real People. Real Experiences.

Below are a few examples of clients who have received claims payments. Names are anonymous.

Reason for claim: Hospitalisation – Sickle Cell*

Miss H, a sickle cell disease patient, was admitted to hospital on seven separate occasions due to her condition. She spent a total of 84 days in hospital across the different periods of hospitalisation. Because she had the maximum units of cover for the policy type taken the insurer provided her with a payment of **£21,000**.

Reason for claim: Mountain Bike Accident*

Mr W, a self-employed carpenter and joiner, suffered injuries when he accidentally crashed his mountain bike. He broke multiple bones in his spine and ribs and had to spend five days in hospital for treatment. He was helped on the road to recovery from his injuries with a claim payout of **£17,400**.

Reason for claim: Hospitalisation - Chronic Illness

One of our clients, a busy hairdresser working in the heart of the community, was very thankful that his Adviser had arranged financial cover in case he became sick or had an accident and was unable to work. Initially sceptical about insurance and whether it would pay, he agreed it was worth having a meeting to discuss the options. He decided to take the maximum units of a policy that included hospitalisation cover. He's so glad he did. As a father of four, he doesn't know what he would have done after having to be hospitalised for 137 days due to chronic illness. Mr S received a claims payout of over **£31,000**, which helped massively with bills and supporting the family.

Reason for claim: Critical Illness - Thyroid Cancer

A nurse diagnosed with thyroid cancer was so happy about the service from her Adviser and the insurer, she sent a letter expressing how pleased she was. This client received a claims payment of **£50,000**.

Beyond the Claim

Did you know that the insurers we work with offer extra services that come with your policy? For example, many offer counselling and well-being support. Owl Advisers are committed to going above and beyond to support you – so please get in touch if you need help when it comes to a claim.

Want to share your claims payout experience?

We'd love to hear from – get in touch with your Owl Financial Adviser or email enquiries@owlfinancial.co.uk

How to improve your chances of passing a mortgage affordability assessment

Getting on the housing ladder can feel like one of the hardest and longest processes in the world and the cost of living crisis is probably not helping. You need to come across as attractive buyers for lenders to consider you, but there are many factors that can reduce how much lenders are willing to let you borrow for your home.

How do lenders decide whether to offer you a mortgage?

If you're applying for a new mortgage, remortgaging or increasing your current mortgage, lenders are required to carry out an affordability assessment. This involves a variety of checks designed to make sure you can afford to repay what you borrow. According to the Independent, some two thirds of first-time buyers are rejected for a mortgage at their initial attempt. So, what can you do to boost your chances of passing an affordability assessment?

Evidence stable employment

Many lenders ask for three months proof of income, although some will accept less. Even simply switching from one employed position to another can affect your chances of success. Some lenders like to see that you've been with an employer for at least three to six months before they'll consider you.

Reduce your debts

Lenders will look at your total income and then work out how much you need to maintain a basic standard of living. This will give them an idea of how much you can afford to spend on a mortgage. Reducing the amount you owe on things like credit cards and loans will increase the amount you have available and boost your chances of passing an affordability assessment.

Check your credit report

Before offering you a mortgage, lenders check your credit report. A poor credit history could affect the amount they're prepared to offer or cause them to turn you away altogether. However, there are simple ways to improve your credit rating. Before applying for a mortgage, check your credit report for errors, avoid applying for new credit in the six months leading up to the application and make sure you're well within any existing credit limits.

Get professional advice

Our specialist mortgage team can help you find the right deal for you. They can save you the headaches and ensure you're less likely to be turned down for a mortgage.

**YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT
KEEP UP REPAYMENTS ON YOUR MORTGAGE**



Actively Supporting Dementia UK



As well as helping clients benefit from better financial protection, Owl Financial actively supports communities and charitable causes. We work with 'The Openwork Foundation' who have provided millions of pounds in grant payments and funding over the past 40 years, helping vulnerable children, families and phenomenal causes in the UK and overseas.

Meet one of the Openwork Foundation's National Charity Partners, Dementia UK.

Today, nearly one million people in the UK are living with dementia. One in two of us will be affected by the condition in our lifetime – whether by caring for someone with the diagnosis, developing it ourselves, or both.

Dementia UK is there for the whole family. Whether you have a question that needs an immediate answer or need emotional support when facing the fear and confusion of dementia, the charity's specialist Admiral Nurses can help. Below is some helpful info from Dementia UK.

What is dementia?

Dementia is an umbrella term for a range of progressive conditions that affect the brain. In fact, there are over 200 subtypes of dementia. The most common forms are Alzheimer's disease and vascular dementia. Each type of dementia stops a person's brain cells (neurones) working properly in specific areas, affecting their ability to remember, think and speak.

While dementia affects everyone differently, doctors typically use the word to describe conditions that cause symptoms like memory loss, confusion, and problems with speech and understanding that get worse over time. Dementia is most common in people over 65, but it can affect people before this age – this is known as young onset dementia.

With you through life®

If you are interested in finding out more about the products and services offered by Owl Financial, please contact your Owl Financial Protection Adviser or email enquiries@owlfinancial.co.uk



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In aid of



Some tips whilst waiting for a diagnosis for a relative:

- Keep a symptom diary, making a note of the signs of dementia you have noticed and the changes in your relative. This will be useful when the person sees their GP about the possibility of dementia
- Writing a life story with your relative can be a good way to record important information about their life, such as family and friends; their past history; current activities and pastimes; likes and dislikes; and values and wishes. This will help the health and social care staff understand and support the person better. Dementia UK has more information about creating a life story, including a template, at dementiauk.org/life-story
- Meaningful and enjoyable activities can help your relative maintain their independence, skills and quality of life. These can include music, exercise, socialising, hobbies, working or volunteering, and puzzles and games
- Make sure that you are looking after your own physical and emotional well-being

Tips for communicating with someone with dementia

A person with dementia can often understand far more than they can communicate, so always try to involve them in your conversation. Small changes in your approach can make a big difference – e.g. you could try:

- stopping what you're doing and focusing entirely on the person /limiting distractions
- saying their name when talking to them/smiling
- speaking slowly, clearly and in short sentences
- maintaining eye contact
- giving the person plenty of time to answer
- using gestures to act out what you're saying – for example, by miming drinking a cup of tea or putting on your shoes
- using pictures to explain what you're saying, such as an image of a car or a photo of where you're going
- avoiding open-ended questions or offering too many choices
- using visual timetables – where you use photos or images to show what will happen at various times of the day

Need more info or advice on dementia?

Dementia UK's Admiral Nurses can support you with any aspect of dementia. You can contact the free Helpline on 0800 888 6678 or book a free phone or video appointment at dementiauk.org/book

You can also find information and advice on dementia at dementiauk.org/information-and-support

Want to support? Get in touch with us [here](#) or you can directly support Dementia UK [here](#).

Dementia UK is the specialist dementia nursing charity that is there for the whole family. Its nurses, known as Admiral Nurses, provide free, specialist advice, support and understanding to anyone affected by dementia, whenever it's needed.

