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New Blog!



The real risk of having no protection & the peace of mind it can bring



Accolade Financial Planning April Blog

The real risk of having no protection & the peace of mind it can bring

Life cover, critical illness and income protection are often overlooked until it's urgent. Here's how to think about protection in a clear, practical way.

Protection isn't pessimism, it's planning

Most people don't wake up excited to talk about insurance. Protection sits in the "sensible but later" category... until something happens and it becomes urgent. The challenge is that the best time to arrange protection is usually when life is calm and health is good, not when you're in the middle of a crisis.

Protection planning isn't about expecting the worst. It's about reducing financial stress if life takes an unexpected turn. When your plan includes protection, it can give you options: time to recover, space to grieve, or the ability for your family to keep life stable.

What are you actually protecting?

When people think about protection, they often start with products. A better place to start is the **risk** you're trying to manage. Here are the most common ones:

1) Loss of income (illness or injury)

For many households, income is the engine that funds everything else. If you couldn't work for months, or longer, what would happen? Some people have employer sick pay, but it may be limited. Savings can help, but they can drain quickly once the mortgage, household bills and life costs continue as normal.

Income protection is designed to replace a portion of income if you're unable to work due to illness or injury (subject to policy terms, definitions and underwriting). The aim is simple: keep the household running while you focus on recovery.

2) Serious illness and the “survival gap”

Medical outcomes have improved hugely. Many people survive serious illness but survival can come with a cost: reduced working hours, time off, private treatment decisions, travel to appointments, home adjustments, or simply the need for breathing space.

Critical illness cover can provide a lump sum on diagnosis of certain conditions (subject to definitions, policy terms and underwriting). It can help create options at a time when your energy should go to health and family, not finances.

3) Death and family stability

Life cover is often about keeping life stable for those left behind: paying off or reducing a mortgage, covering childcare costs, replacing income, or ensuring a partner has choices.

The important part isn't simply “having a policy”, it's ensuring cover matches your real situation today.

Why people delay (and what it costs)

Protection is commonly delayed because:

- “I'm too young”
- “I'll do it when life is less busy”
- “Work benefits will cover me”
- “It feels complicated”

But the hidden cost of delaying is that health changes can reduce options later. Even if nothing changes, leaving protection unreviewed can mean:

- cover amounts no longer reflect mortgage or children's ages
- beneficiaries aren't updated
- you're paying for something that no longer fits
- gaps exist that you assumed were covered

A simple way to approach protection

I often use a three-step approach:

Step 1: Clarity

What cover do you already have? Through work? Personally? What does it do and what does it exclude?

Step 2: Priorities

What is the most important risk to address first, income, illness, life cover? What would cause the greatest strain?

Step 3: Fit

Can cover be shaped to match your budget and goals? Protection should support your life, not create financial stress.

Business owners and directors: protection is also a resilience plan

If you're a business owner or director, protection isn't only personal, it can be operational. Many owner-managed businesses rely on a small number of people. If one of them can't work, the impact can be immediate: lost revenue, disrupted operations, and additional stress on the wider team.

Depending on the need, protection can sometimes be structured to support the business. In some cases, there may be potential tax efficiencies depending on how cover is arranged and the purpose of the policy but details matter, and it's always worth consulting a professional adviser.

The "Protection Audit": a practical first step

If you're not sure where to start, a straightforward audit can help:

- what you have
- what it does
- what it costs
- what gaps may exist
- what you might want to prioritise

It's a calm, no-pressure review designed to give you clarity.

Final thought: peace of mind is a plan

The goal of protection isn't to think about worst-case scenarios every day. It's to stop those scenarios from becoming financial disasters if they happen. If you'd like to review your protection and get clear advice, get in touch.

This article is for general information only and is not personal advice. Insurance policies are subject to underwriting, terms and conditions.

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