

**News from Louis Letourneau.**  
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*Life cover isn't something to leave to chance as [Louis Letourneau](#) finds out. Now's the time to do something about it.*

There have been so many positive changes for us in the last few years – principally the introduction of [Civil Partnership](#) – that it's easy to forget that we still have to be careful when arranging [life insurance](#), [critical illness insurance](#) or [income protection](#).

Last September, in a welcome (and long overdue) move, the [Association of British Insurers](#) (ABI) issued [new guidelines](#). In theory, these end the discrimination gay men face in the past when applying for life and/or health cover. Insurance companies can't ask about an applicant's sexuality, and they aren't allowed to make assumptions about a person's sexuality based on their occupation.

Instead, they should ask all applicants about their exposure to the risk of [HIV](#) infection in the last 5 years. As this applies to ALL applicants, it creates a level playing field. They will also normally ask if you've lived or had surgery abroad – this reflects the reality that most newly-diagnosed cases of HIV are in people coming from outside the UK rather than in gay men.

Of course, if you want a large amount of cover, you must expect to be asked to undergo an HIV test - and this is where a gay man still needs to be careful. It's possible that there's discrimination still hidden within the insurance industry, so it's important that you seek advice from an [independent financial adviser](#) who knows the facts.

During the 'bad' years, it was very difficult for a gay man to get life insurance without having to answer the degrading 'lifestyle' questionnaire. He then had to undergo a medical examination, an HIV test, *and* have his GP do a full report. However, we still managed to get our clients covered by using companies who wouldn't ask about sexuality where the amount of cover required was relatively small – usually £100,000 or less.

We've talked to all those companies and, following the introduction of the ABI's guidelines, they've all increased these limits. Most won't ask any applicant to take an HIV test where the cover sought is no more than £250,000 – and some have higher limits.

It's early days yet and we haven't heard from anyone who's had problems trying to get cover, but we're being cautious. There are still some insurance companies which we suspect will try to get round the rules somehow, so you need to be careful. It may be that the insurer recommended by your mortgage broker isn't the best one for you – take independent advice.

But you may be asking why you need life or health insurance. If you have no dependents and are single, you have no need for life insurance. But, if you were seriously ill, how would you pay the mortgage? Two types of cover could help. Firstly, there's [critical illness cover](#), which would pay a lump sum if you were diagnosed with any of the conditions covered by the policy. Alternatively, [income protection](#) pays a replacement salary if you're off work long-term. With this kind of policy, there is a 'deferred' period where you have to support yourself before the policy kicks in – it's normally possible to dovetail this with the end of your period of paid sick leave. Not everyone needs income protection. Some generous employers already provide it free of charge for their staff. Others, usually in the public sector, offer early retirement if you're permanently unable to work. But if you're self-employed or work for a less generous private company, it's really worth thinking about.

Many employees also have life insurance ('death in service benefits') provided by their employer or [pension](#) scheme. But, if you're buying a house with your partner, it's a good idea to have additional cover for the mortgage. Pure-term life insurance is cheap – though hardly cheerful. It does exactly what it says on the tin; you take it out to cover your mortgage for whatever your mortgage term is, and it pays out if you die within that term. If you survive, it will have done its job and it lapses. It's not a lot to pay for peace of mind.

Even though we now have Civil Partnership, it's still important to have [Wills](#) (these have to be redrafted if you opt to register your partnership, as they'll be revoked by the registration), and I also still recommend that life insurance policies be put under trust for your partner and that you arrange Enduring Powers of Attorney. Although Civil Partnership bestows rights of inheritance if a person dies intestate, your estate could still go to other family members. It's even more important to have a Will if you decide against Civil Partnership.

In all these matters, you should seek [independent advice from a properly-qualified adviser](#).

**Louis Letourneau, MA** is an experienced independent financial adviser (IFA), specialist in financial planning and wealth management. He founded Rainbow Finance in 1995 and has consistently challenged financial companies and Government on their attitudes to gays, lesbians and same sex couples and was instrumental in the Inland Revenue to changing its guidance notes to recognise unmarried couples in pension benefits. His work has also resulted in life insurance companies starting to relax the discriminatory underwriting criteria toward gay men and people living with HIV. He was a founder of the Rainbow Research Project which surveys and educates private pension schemes in how they recognise unmarried couples on death benefits. He was also a founder member of the Stonewall Immigration Group (which campaigned for Immigration rights for same-sex couples, achieving a significant victory in April 1997) and helped set up the [gaypartners.org](#) initiative with [gay.com](#) in early 2001, campaigning for same-sex partnership rights. He speaks regularly on national and local radio.

For further advice on [Wills](#), [Life Assurance](#), [Tax](#), [Investments](#), [Pensions](#) and [Civil Partnerships](#), contact Isis Financial Planners:

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