



# Keeping Well Covered

[Life Insurance](#), [Critical Illness](#) and Income Protection Advice  
From Louis Letourneau.  
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*You think nothing of insuring the contents of your home to the hilt. Car insurance? Well, it's just one of those things we have to do. So why, asks Louis Letourneau, are we so reluctant to insure our livelihoods?*

Okay, hands up. Who has car insurance? The answer is, of course, everyone who owns and drives a car.

Time for another show of hands, then – who thinks that a tin can supported by four bits of rubber is more important than their income? Ah, not quite so many hands in the air now, I suspect. The truth is that very few of us take steps to insure our income if we are unable to work due to sickness or injury.

Another show of hands then – who thinks that the State will provide enough for you to live and pay your mortgage if you can't work because you are too sick? Oh dear, wrong again. Long-term incapacity benefit (payable after 52 weeks) is £72.15 a week, assuming that you qualify. I don't know about you, but this amount wouldn't cover my grocery bill, let alone keep the pink Cadillac on the road.

The reality is that the only way to be completely safe is by making your own arrangements. Some employees are covered by schemes at work, but many are not. A sad truth is that so many of us have absolutely no idea how long we would be paid in the event of illness. The best employers offer 6 months' full pay, but many small employers only offer statutory sick pay. What about you?

There are two ways of protecting yourself: by using [critical illness insurance](#) or income protection insurance. Critical illness pays out a lump sum on diagnosis of a critical illness covered under the plan, commonly heart attack, cancer and stroke. These are extremely useful plans, and could enable you to pay off your mortgage. They are often sold as part of a package that includes [life insurance](#). However, they are more limited by the medical conditions covered. Their disadvantage is that they do not include many conditions that, whilst not life threatening, are very incapacitating – a bad back, for example.

Income protection plans, on the other hand, designed to pay a monthly income rather than a lump sum, cover a far wider range of medical conditions. Bad backs and depression, for example, would both be valid claims under income protection plans. The premium rates are determined by age, occupation, sum insured and deferred period. The deferred period is the amount of time that needs to elapse before the claim will be payable. The longer you are prepared to wait, the cheaper the rate will be. Try to choose a fixed premium ("guaranteed") if you can, as opposed to a variable rate ("reviewable"). They tend to be better value for money, in the long run.

Most income protection or critical illness plans will not cover [HIV](#) or will make a blank standard exclusion for everyone. What really gets to me is that many providers, regardless of this HIV exclusion, will still ask gay men to complete an intrusive lifestyle questionnaire and to go for an HIV test! How can this be justified when the condition is not even covered in the first place? This is truly appalling. Remember, the only way to avoid the tears is to shop around or seek independent financial advice from the experts in the gay market.

Thankfully, one life insurance company has started to offer a critical illness plan which does not discriminate against gay men - on the contrary, it offers discounts for joint applications for couples, including same sex couples. Well done, we are getting somewhere!

Even with this HIV exclusion, I believe that critical illness or income protection is much more appropriate to gay men than life insurance. If you are in the process of getting a mortgage and you are being advised to take out life insurance, ask yourself what you really need. If you are buying jointly with your partner, you do need life cover to protect your home and each other if one of you should die before the mortgage is paid off. But if you are single, you don't need life cover – why would you? – although you should think about critical illness or income protection. Common sense isn't it?

Now hands up again, who has car insurance...

Louis Letourneau is a Director of Isis Financial Planners Limited. Isis offers truly independent specialist advice to the gay community and can be contacted on 0845 1300 778 and email [postbox@gayfinance.info](mailto:postbox@gayfinance.info) . You can also visit the new website at [www.gayfinance.info](http://www.gayfinance.info)

**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 [Life Assurance](#), [Tax](#), [Investments](#) and [Pensions](#), contact Isis Financial Planners:

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