Adrian & Shirley's story

Adrian and Shirley, who have lived in Hellesdon for many years, were at long last looking forward to enjoying more time together and planning the next few years of fun and travel. Adrian had decided to retire in December 2014 at age 65; Shirley was recently retired. For the first year or so, everything was as they wanted, but this was soon to change dramatically.

Feeling a little off colour, Adrian took a visit to his doctor. After a few more visits and subsequent tests at the Norfolk & Norwich hospital, he was diagnosed in June 2015 with advanced pancreatic cancer, with secondary spread to the liver; he commenced treatment with 'S.I.E.G.E.', a chemotherapy drugs trial, at Addenbrooke's Hospital.

Unfortunately, with pancreatic cancer, there are no real symptoms to speak of and it is often very advanced by the time it is diagnosed. This produces a very low survival rate of just 4% after 12 months.

To have to come to terms with this prognosis after less than a year together in retirement, both Adrian and Shirley were devastated. They had many questions, but little time to find answers. How long might they have together? How would Shirley and the boys cope? Would they have enough money?

Obviously, they called an immediate halt to their retirement plans.

Rather than let the shock and fear create inaction, Adrian and Shirley wanted to gain some control and try to make plans as best they could. Their starting point was to contact their financial adviser of many years, Simon Kiley at RJL IFA in Eaton. Simon immediately suggested a meeting, at which they could review Adrian and Shirley's investments and insurances and thereby assess what lump sums and incomes would be available now or on Adrian's death.

Fortunately, Simon had arranged £50,000 of life cover for each of them in 2008, by way of two single-life policies. Whilst this can be marginally more expensive than a joint-life policy, the benefit is that the survivor will continue to have cover in their own name. If a successful claim is made under a joint life policy, the survivor is left with no cover, as the policy expires at that point. In this case, Shirley stood to benefit from Adrian's £50,000 and her own £50,000 would continue to the end of the policy term.

Claims are usually made under life policies towards the end of the policy term. In the joint-life scenario, the survivor is considerably older than when the policy was taken out, which means that any new policy will be much more expensive, if obtainable at all. This is the nature of life assurance: younger, healthier people get cheaper policies (less likely to claim); older, less healthy people get more expensive policies (more likely to claim).

Another helpful aspect of the policies was ‘terminal illness benefit’, which means that the policy owner can make a claim if the life assured has less than a given period to live. Due to Adrian's prognosis being very poor (less than 12 months, as confirmed by his medical team), the £50,000 was paid to him in a matter of days. He was able to see the money put to use for Shirley and his children, which provided him with some comfort in this difficult time.

Death benefits are also available with Adrian’s personal pension and Simon is discussing the options with him and the family.

Adrian kindly agreed to share his story in order that families may consider the importance of adequate life and health assurance. Many of us may have taken out a policy in connection with a mortgage, or perhaps set up some cover many years ago that was based on what we could afford. Are those arrangements still suitable?

If you would like to come in for a review, please contact us on 01603 499599 or simon@rjlifa.co.uk. We would appreciate it if you would let us know that you contacted us because of this story, as we will donate £50 to the Pancreatic Cancer Research Fund, on each and every new policy that stems from it.

Some questions to consider:

- Do you have sufficient life cover?
- When did you last review it?
- Has anything changed, e.g. job, marriage, children, house purchase etc?
- Is it joint life or single life?
- Under what circumstances can you claim?
- At what point does it expire?
- Do you have terminal illness benefit?
- Do you have any work-related death or health cover?
- Do you have personal or occupational pensions that provide death benefits?

Please note that this article is not intended to be used as advice. If you are considering putting life or health assurance in place or adjusting the cover that you already have, please speak to us or another qualified financial adviser. This is very important, as inadequate cover exposes you and your dependents to financial risk now and in the future. Life and/or health assurance policies do not usually acquire a maturity value or a surrender value. At the end of the policy term, or if premiums cease before that date, the policy will simply expire. Availability, sums assured and cost depend largely on age, health and the type of cover.