Protection isn’t an add-on, it’s the financial resilience portfolio foundation

By Gregor Sked

Protection isn’t competing for returns, correlation or performance tables. Its role is simpler, and far more fundamental, it’s there to ensure a financial plan still works when life doesn’t go to plan.

So, rather than thinking of protection as a missing asset class, should we reframe protection as a financial resilience portfolio?

Why resilience matters more than ever

Frozen nil rate bands, rising asset values and reforms to agricultural and business property relief all point in the direction of more estates becoming likely to face an inheritance tax liability.

And for many families, the challenge may not be the tax bill itself, it’s the lack of accessible cash to pay it. Assets may be valuable, but they are often illiquid. A resilience portfolio addresses this liquidity risk, rather than the client making the assumption that funds will become available when needed.

If we accept protection as part of a resilience portfolio, client reviews become even more important, as the components of the resilience portfolio must be monitored and reviewed in case a client’s exposure to financial risk has changed. That might be driven by income growth or volatility, family circumstances, changing health or work patterns or an increased tax exposure. Reviewing resilience alongside investments and pensions creates a more joined-up planning conversation and one that puts protection front and centre, not at the bottom.

Investments grow wealth. Pensions manage tax and retirement plans. Estate planning shapes legacy. But without resilience, all of these rely on an assumption that nothing significant goes wrong along the way. A financial resilience portfolio doesn’t remove risk from life; instead, it prevents life’s shocks from derailing the plan. So, in that sense, protection isn’t the missing asset class at all. It’s the foundation that allows every asset class to do its job.

Read the full article

Our latest podcast episode- When money becomes a weapon

Economic abuse is a devastating form of domestic abuse that is happening at an alarming rate. Every day abusers are weaponising financial products and services to isolate, control and harm victims.

In this 20 minute podcast, Shelley Read and Kimberly Dondo examine some findings from the charity Surviving Economic Abuse and look at how to recognise signs and what steps to take if you suspect this type of financial control.

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Claims case study hub

Our case study hub allows you to explore our real-life examples to support your client conversations and find out how our protection solutions provide help and reassurance when it's needed most. We strive to pay as many claims as we can, and we try to keep our claims process as simple to follow as possible.

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