



Cryonics and Insurance – Research Part 1 (The Case For Index-Linking)

The key financial advice issue for people taking out insurance for the purpose of funding Cryonics is to make certain that you apply for enough cover to meet your original objective.

This may sound a very simple piece of advice, but there are a number of factors that could affect your ability to fund Cryonics in the future. Here's a brief guide to some of the key considerations when selecting insurance for the purpose of funding Cryonics.

CORRECT POLICY

The first step is to make certain you arrange the most suitable type of insurance. There are several types of Life Assurance available in the UK market place, with Decreasing Term Assurance, Level Term Assurance and Whole of Life Assurance policies the most popular available.

Decreasing Term Assurance is Life Assurance that decreases over the term of the plan. It is most commonly used for insuring loans and mortgages and because of the decreasing nature of the sum assured within the plan is not generally suitable for the purpose of funding Cryonics.

Level Term Assurance is Life Assurance that remains level over the term of the plan. The nature of this style of cover is that the plan will finish at a set date in the future. This of course could also be a problem if the plan holder is proposing to use the plan to fund Cryonics past this date.

Whole of Life Assurance is a form of Life Assurance that continues through until the plan is needed upon death. This type of insurance is designed to pay out a guaranteed lump sum at some point in the future and is the preferable type of insurance for the purpose of funding Cryonics.

SUM ASSURED

The next major consideration is to select a sum assured that will cover all of the appropriate costs both here in the UK and also with either of the Cryopreservation providers in the United States (Alcor Life Extension Foundation and The Cryonics Institute).

Both organisations publish the costs of their services on their website and it's important to select a policy sum assured that not only is likely to cover these costs now, but also in the future. The main problem with trying to plan so far ahead for any financial objective is inflation.

Although both organisations openly state they have no plans to increase their costs unnecessarily it would be unwise not to take inflation into account within your planning. I'll share with you a simple mathematical rule later in this article that will help you calculate future values.

The only example I've been able to find of any increases in Cryonics charges is in relation to Alcor's charges between 1991 and present day, which have increased by a total of 70%. This breaks down to 3.5% per annum and is equal to the retail price index (RPI) which is the cost of living.



INDEX-LINKING

The mathematical rule that I mentioned before is called the Rule of 72, which means if you divide the rate of inflation above 3.5 into 72 any capital amount would double in value over 20 years. This formula holds true whichever rate of inflation you decide to use for your calculations.

By introducing this formula I'm not suggesting that the cost of Cryonics is definitely going to increase in the future. I'm suggesting that it would be prudent to build some form of inflation proofing into your provisions – in financial services we call this Index-Linking.

So, for example if you are thinking about taking a Whole of Life Assurance plan for the purpose of funding Cryonics you should consider taking the Index-Linking option within the plan. In our opinion the case for inflation linking your insurance for the purpose of funding Cryonics is compelling.

Inflation linking is important whether you are a new Cryonics member or are an existing member who is considering bridging a potential gap that may exist in their future planning. An experienced Cryonics member said to me recently – “Cryonics is something people need to be committed to funding!”

INDEPENDENT ADVICE

The vast majority of insurance plans that we recommend for the purpose of funding Cryonics do include Inflation linking. However, we always make sure there is an option to switch this off if our client requires us to do this in the future.

If you require help or advice about Insurance products for Cryonics then please contact us for more information – we would be very happy to provide quotations for you.

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You can read more about Cryonics and Insurance at www.unusualrisks/cryonicsinsurance.html and also download a copy of our free Cryonics and Insurance Fact Sheet

You can find out more about Cryonics in the UK by visiting www.cryonics-uk.org

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