

Citywire

Why you should not shy away from mental health issues

by **William Robins** on Dec 13, 2010 at 00:01



Taking a professional approach to clients with mental health problems, as Lorreine Kennedy (pictured) does, can be good for business.

Advisers should not be afraid of addressing clients' mental health problems, such as depression and bipolar disorder. The ability to take on these issues professionally and compassionately can stand them in good stead with the client's family as well as professional connections.

Obstacles to income protection

Lorreine Kennedy, head of later life advice firm Care Matters, says mental health issues can derail the most straightforward planning.

'Clients will be declined for income protection if they have been depressed. If they have had time off work in the last five years that will also raise alarm bells with the insurer,' she says.

'For life cover, suicide is an issue — underwriters will look at depression or bipolarity as a suicide risk.' The later life adviser said people often develop depression in their twenties, as the realities of work hit home. However, these issues probably won't come up in the fact-find, even in response to general questions about health.

'You normally find out when you do their first application, though perhaps it will emerge if they have made an application before.'

Lasting power of attorney

If significant mental health problems do come to light, says Kennedy, the first thing to do is look at arranging a lasting power of attorney before funding the level of care they are likely to need.

However, it can be more difficult to arrange a care plan for younger people because they are unlikely to have a lump sum.

'If any IFA ends up handling depressed or bipolar clients, especially with younger people, they should expect to do a lot of pro bono work. The benefit of that will come from the appreciation of the family for their patience, which could lead to referral business.'

James Pirrie, partner at **Family Law in Partnership**, said stressful life events, such as divorce, are often the beginning of mental health problems.

Professional advice

'Divorce can precipitate mental illness and mental illness divorce,' says Pirrie.

'In our increasingly driven and hectic worlds, professional financial advice is increasingly required to be given in difficult circumstances.'

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