



What is Mortgage and Income Protection?

There are many types of protection products available, such as Life Insurance, Critical Illness Cover, Income Protection and Family Income Benefit. We have access to all of the major providers and can help create the perfect plan to suit your needs and budget. The service we offer is free with no obligations.

Mortgage Protection Explanations

Income Protection

Income Protection pays out monthly tax free income and is a percentage of your earnings (normally 50-70%) after a set deferred period if you're unable to work due to sickness or accident. The deferred period is normally 1, 3, 6 or 12 months and is recommended based on the level of your savings and sick pay available through your employer.

There are two types of income protection available:

- **Full Term** - This will pay out until retirement, death or your return to work.
- **Short Term** - This will pay out for a set amount of time, normally 2 years per claim, although this can range from 12 months to 5 years.

Critical Illness Cover

Critical Illness Cover pays out a tax free lump sum if you are diagnosed with one of a number of listed critical illness, including some types of cancer, a heart attack or stroke, multiple sclerosis or the loss of limbs and many more. We will send you a full list once a provider is recommended.

As with Life Insurance, this can be set up on a **Level** or **Decreasing** basis.

Life Insurance

Life insurance pays out tax free lump sum if either of the life insured dies during the term. We recommend all those with a joint mortgage or dependents in the home should have Life Insurance in place.

There are two main types of term assurance:

- **Level Term** - The sum assured amount remains level throughout the term of the policy.
- **Decreasing Term** - The sum assured amount decreases over the term of the policy.

Family Income Benefit

This is a form of life insurance that pays out a regular income until a specified date in the event of death to replace the income that would have been provided by the policyholder.

Family Income Benefit is often more suited to families with children as it can help with everyday living costs, school fees or can also be used to cover maintenance payments in the event of death.

Mortgage Payment Protection Insurance (MPPI)

MPPI pays up to 125% of your monthly mortgage payments for up to 12 months in the event of the policyholder being unable to work as a result of accident, sickness or redundancy.

For a joint mortgage, the cover allocates a proportion of the benefit to each person so that their share of the mortgage commitment is covered.

We can also provide advice and recommendation on Buildings & Contents Insurance. If you would like any further information please let us know.