

What is Mortgage and Income Protection?

Life Insurance:

Life Insurance pays out a 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

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 illnesses, including some types of cancer, a heart attack or stroke, multiple sclerosis or the loss of limbs and many more.

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

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 are 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

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 be used to cover maintenance payments in the event of death.

Buildings & Contents Insurance:

We can also provide advice and recommendations on Buildings & Contents Insurance.

Our Buildings & Contents Specialist will contact you once your mortgage application has been submitted.

