

# Protection

Why do I need it? What is it? It won't happen to me?

The types of protection we are looking at are insurance policies that protect you, your family and your home. There are different policies that can do this by either protecting your life, your income, your partner's life and/or income. Here are the different types of cover available to you:

## Life cover

This is an insurance policy that pays out a lump sum in the event of death. It is important if you have or are planning on having a family, or if you own your own a property and would want the mortgage paid off in the event of your death, so you are able to leave the property to a loved one.

## What will Life cover cost me?

The cost of your life cover will depend on the age you are when applying, your current health, your job, so if you are a

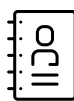
deep sea diver your premiums would be more expensive than someone who sits behind a desk. In general, the younger you are when taking out life cover the cheaper it is, as your premiums do not increase with age. However, the older you are the more expensive the premiums will be.

If you wanted life cover only to cover your mortgage, you can arrange life cover policies that will decrease along with your mortgage amount. These policies can also be cheaper in premium because the amount of cover you require decreases as the years go by. You would be surprised how little life cover can start from.

## Critical Illness

Will pay you a lump sum of money upon diagnosis of a critical illness or serious injury. This type of insurance policy will pay you a lump sum of money depending on the amount of cover you selected.

Because of the advances in medical treatment now available, you are more likely to survive a serious illness. However, you may be unable to work or perhaps never be able to work again. This would obviously put a huge strain on trying to maintain your standard of living and more importantly keeping up with your mortgage payments.



Protection enquiries

**03300 552 506**

[enquiries@emailmefs.com](mailto:enquiries@emailmefs.com)

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## Why do I need it? What is it? It won't happen to me?

### **Different types of Critical Illness policies:**

**Level Term:** The amount you have selected to be covered for will remain the same over the term of the policy. You can cover yourself or have a joint policy to protect you and your partner.

**Decreasing Term:** This cover is usually taken to protect your mortgage as the cover selected decreases in line with your mortgage. The cover you take is the same amount as your mortgage. The critical illness cover will then decrease in line with your mortgage balance and if ever you are diagnosed with critical illness or injury, your mortgage is all paid off.

### **How much does a Critical Illness policy cost and what type shall I take?**

This will depend on what's best for you, your needs and how much you can afford to pay. You need to feel comfortable about

the monthly amount paid. If you have a family then Critical Illness Cover could be something you could consider having. Critical illness can be attached to life insurance. We can have a look for you to make sure your policy does exactly what you need it to do, and if you're unsure, we'll be happy to talk it all through with you. For more guidance on this and to get a quotation based on your circumstances please contact us and we'll take care of it from there.

### **Income protection**

Income protection is an insurance policy that would pay you a monthly income while you were unable to work due to an accident or sickness. You can set up the policy so it varies in the amount it pays out, usually, this amount cannot exceed 65% of your gross monthly income. You can also set it up so it only pays out once your work sick pay has finished. This is called deferred period.

### **Income protection do I need it?**

If you owned a machine that paid you a salary every month, would you insure that? Probably, and that machine is you.

If you were unable to work, and your sick pay ran out, would you afford to pay the mortgage and other household bills? The last thing you need while unable to work is the additional worry of keeping on top of your bills, especially your mortgage.

What does income protection cost? Income protection policies can vary in price. It depends on the age you are, your health, type of job you do and the amount of cover you need. We can help you with getting a quotation, simply contact us and we can run through the details.

# My Protection Shopping List

Guiding you to the right outcome for your family.

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Rather than deciding what is best for you, we can create a tailored solution for your needs based on how important the different areas of insurance are to you.

Using this decision wheel, you can mark up how important the area is for you and your family.

Does your employer pay sick pay (if so for how long?)

Do you have life cover already? How much?  
Mark on the wheel the type of cover you feel is important to you.

1 being not important, 5 being very important.



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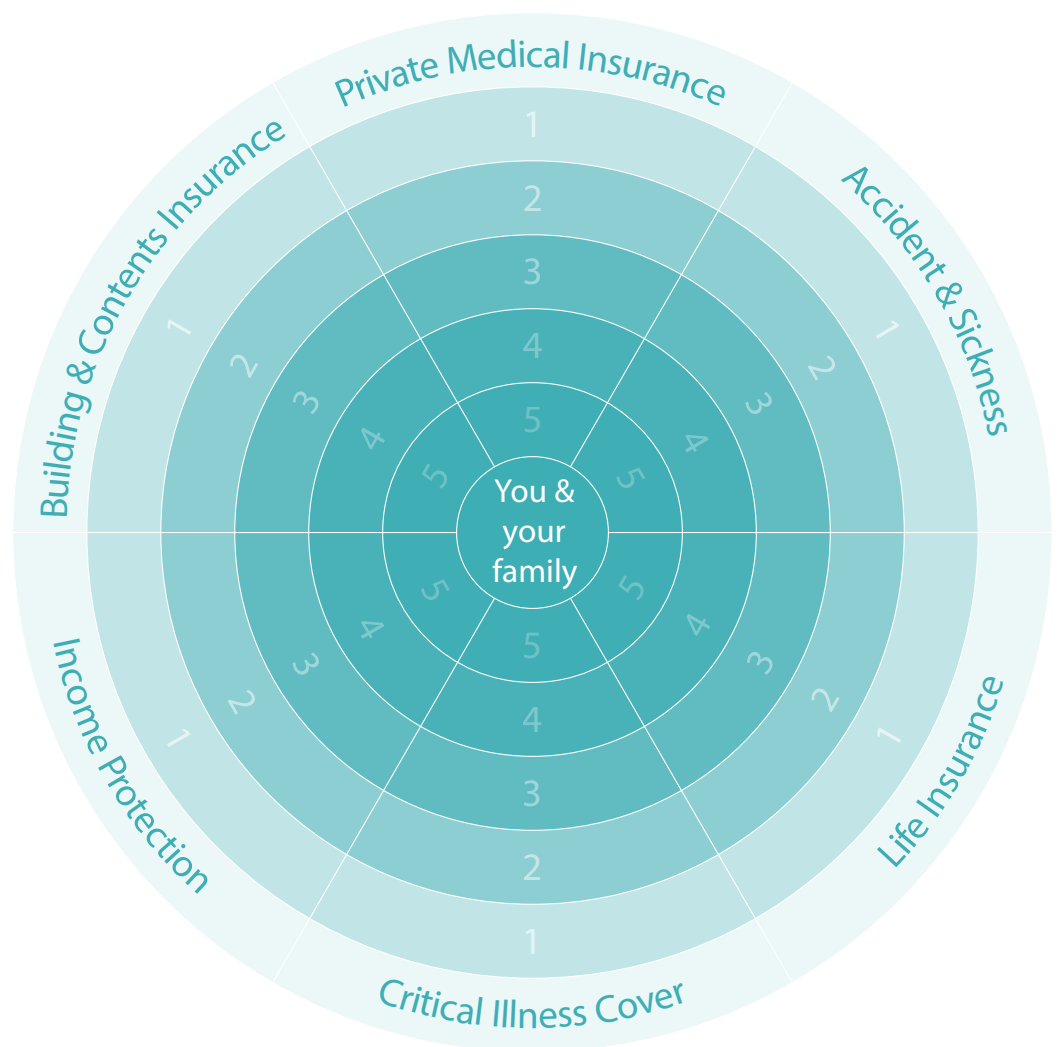
[enquiries@emailmefs.com](mailto:enquiries@emailmefs.com)



# Choosing the right protection

A brief guide to help you start on this exciting journey.

1	Not important at all
2	Slightly important
3	Important
4	Fairly important
5	Very important



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## How do you protect your home?

Your home is your biggest asset and it is important we provide you with advice to ensure you can meet mortgage payments if there are any difficult circumstances. Below is a summary of helpful products we can advise on:-

### Life Insurance

Provides a one-off cash sum (or monthly instalments if family income cover is selected) if you were to die during the cover period. It can be used to:-

Help pay off your mortgage.  
Provide money to help maintain standards of living for your loved ones.

Note: The product is provided by a selected life assurance company on our panel. When considering the amount of cover you may need, it is worth considering that

inflation will reduce the spending power of any money that may be paid out in the future; therefore you should review the amount of cover on a regular basis or consider using increasing cover that could help reduce the impact of inflation upon the amount available if a successful claim is made.

Many homeowners understand the need to maintain the family home in the event of their death. However, most families' outgoings far exceed their mortgage payments and as such may require significantly more cover.

### Critical Illness

Pays out an amount if the person covered is diagnosed as having a critical illness. In the same way that home insurance covers your property, a critical

illness policy covers you. It can be used to:-

- Help protect your mortgage
- Help toward the cost of medical treatment
- Help towards the cost of changes required to your condition e.g. home alterations

With advances in medical technology, more and more people are surviving a critical illness. Critical Illness could help provide cash to allow you to pursue a less stressful lifestyle while you recover from your illness.

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### It could happen to anyone... It could happen to you

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### Income Protection

Provides a regular income if, due to illness or injury, you suffer a loss of earnings during the term. Here are some things you may wish to consider:-

- What is the total of your monthly outgoings?
- Can you afford them without your income?
- Do you have savings?
- How long would your savings last without your income?

- What if you were out of work for longer than that?

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### Can you afford to be without it?

Statutory Sick Pay is £94.25 per week (GOV.UK, 2018-2019). Average household expenditure in 2018 was £572.60 per week (Office for National Statistics, March 2018).

### Accident, Sickness and Unemployment

Buying a home is probably the largest financial commitment you are likely to make. In these

unsettled economic times, it has never been more important to protect your home and family against the risk of involuntary unemployment, accident or sickness.

### Unemployment Cover

Unemployment cover can help you continue to meet your mortgage repayments for a period of up to 12 months per claim, in the unfortunate event that you become involuntarily unemployed or suffer from business failure (if you are self employed).

### Accident and Sickness Cover

Can provide peace of mind in the event that you are unable to work due to accident or sickness by helping to meet your mortgage repayments for up to 12 months per claim, allowing you to focus on your recovery. Your home may be repossessed if you do not keep up repayments on your mortgage.