

FAMILY PROTECTION

Life Cover

- **Term Assurance**

Term insurance provides cover for a certain period of time, or a specified "term" of years. If the insured dies during the specified term a death benefit will be paid.

- **Mortgage Protection**

A Mortgage Protection policy is a decreasing term assurance policy, where the amount of cover reduces over the length of the term as the outstanding balance of the mortgage reduces. These type of policies are generally cheaper than a level-term insurance policy.

- **Family Income Benefit**

This type of policy will pay out a regular income to your dependants for the remaining term of the policy if you pass away before the end of it.

- **Whole of Life Assurance**

Whole of life assurance policies fall into two camps – guaranteed and flexible premium policies.

Guaranteed Premium Whole of Life Assurance - Caters to long-term goals by offering consumers consistent premiums and guaranteed cash value accumulation. This type of life assurance provides lifetime coverage. It is typically comprised of two parts: a savings or investment portion and an insurance portion.

Whole of life assurance covers you as long as you live provided the premiums have been maintained in order to secure the death benefit.

Flexible Whole of Life Assurance - Gives consumers flexibility in the premium payments, death benefits and the savings element of their policy.

Premiums are reviewable at the end of an initial period and may increase substantially unless the investment performance has been exceptionally good.

The advantage of the flexible route is that the initial period premiums are much lower than those payable for a guaranteed premium policy, although this may turn out to be a false economy.

- **Share Protection**

Share Protection allows the remaining partners, shareholding directors or members of a business to remain in control of the business following the death of a business owner.

If a business owner dies with no share protection in place his or her share in the business may be passed to their family. This means that the surviving business owners could lose control of a proportion or, in some circumstances, all of the business. The family may choose to become involved in the ongoing running of the business or could even sell their share to a competitor. A share protection policy can help avoid these issues.

- **Key Person Assurance**

Key Person Insurance is a policy taken out by a business insuring itself against the financial loss it would suffer if a key person in their business died or were diagnosed with a specified critical illness (if chosen), during the length of the policy. It also pays out if the key person becomes terminally ill.

Key Person Insurance is a life assurance or life assurance and critical illness policy taken out to cover the life of a key person within your business. The policy is owned and paid for by the employer, so any pay out is payable to the employer.

Key Person Protection is designed to pay out a lump sum on the death of the insured key person, during the length of the policy. It is paid as a lump sum and could significantly help the business to recover. The proceeds can be used to help replace lost profit or finding and hiring a replacement.

- **Critical Illness**

Critical illness cover can be added to your policy or purchased on its own. It will pay you a lump sum or a regular income for a set amount of time if you become ill with a critical illness that is covered by the policy. The policy will stipulate a survival period following the diagnosis.

- **Income Protection**

IP is an insurance policy that pays out if you're unable to work due to injury or illness.

IP usually pays out until retirement, death or your return to work, although short-term IP policies are now available at a lower cost

Income protection pay outs are usually based on a percentage of your earnings: 50% to 70% is the norm and they only pay out once a pre-agreed period has passed, generally ranging from one to 12 months after you put in a claim. The longer the 'deferral' period you choose, the lower your premiums.