



## *Personal Protection Policies*

Having the right type of cover is as important as having cover in the first place. Many people are aware of protection insurance but do not understand the risks of not having suitable cover. This guide helps ensure you make the right choice by explaining key areas of cover: Life Insurance, Critical illness Cover, Income Protection Family Income Protection, Whole of Life cover and Private Medical Insurance.

### **Life Insurance/Mortgage Protection**

This type of cover is the simplest form of protection for you and your family. It allows you to protect yourself for an amount of cover specified at the start of the policy against Death or Terminal Illness within the policy term. Typically, Life insurance is a Death Benefit paid to beneficiaries upon the insured's death. This cover type can be used to cover anything from a mortgage liability to your family's future requirements such as university fees for your children or a 'nest egg' provided to your family.

### **Critical Illness Cover**

This area of cover is usually added to a Life insurance policy. It is not too dissimilar to Life Insurance; however, it provides one major upgrade, the ability to be covered in the event you suffer from a Critical/Serious illness and survive. With advancements in medical procedures, treatment and diagnostic equipment, many people now survive a Critical Illness. Unfortunately, this may leave a lasting impact in a person's standard of living and/or require extended periods of time off work to focus on recovery or the harsh reality of never being able to work again. This would inevitably lead to financial struggles with everyday bills and household expenditure continuing. Having Critical Illness cover can offer financial security, allowing you to focus on recovery.

### **Income Protection**

This area of cover is viewed as one of the most comprehensive. It is designed to pay a monthly tax-free sum to an individual should that person is not able to work due to an accident, sickness or injury. The policy can be designed to act as a long term lost income policy and continues to pay the claimant until either they return to work, retire or in a worst-case scenario, pass away. The amount of cover you can receive does not replicate the exact amount of money you earn, instead it pays a significant proportion of lost earnings. The significant difference between Income Protection and Critical illness cover is that this policy covers a wider range of conditions. Certain policy types will cover you no matter the accident/illness if you are unable to do your exact working role. This type of cover is especially important to a large majority of households as loss of income can cause significant financial struggles and worries. These struggles can be relaxed or totally removed by having Income Protection.

### Family Income Benefit

This plan is a type of term life insurance that would be paid out in the event of the policy holder dying or having a critical illness (if included in the plan). Like income protection, rather than pay out a lump sum, it is designed to pay out a tax-free monthly payment over the term of the policy should a claim arise. An example would be someone wishing to make sure their remaining partner and children would receive for example £3,000 per month until the youngest child has finished their education.

### Whole Of Life Cover

This is a plan that is guaranteed to pay out no matter how long you live. Standard life insurance cover can only be termed until a maximum of 90 years of age, but this plan does not take this into account. Due to this plan being guaranteed to be paid out (subject to underwriting) the cost of whole of life cover will be higher than standard life insurance.

### Private Health Insurance

This is a plan that will allow the client to go privately for consultations, tests and treatments including cancer. This will allow them to skip the NHS waiting lists and have their own private room. It will also give them access to the best consultants and hospitals in the country and allow them to get the best cancer drugs that may not be available via the NHS.

Plans can either be obtained individually or via a company scheme. The latter tend to offer better rates, also by doing this, the company can offset the premiums against the companies corporation tax liabilities.

Contact James or Catherine at Movo Health and Life on **01202 528800** for any questions or interest!

