

### Life Insurance

Example based on Level Term Life Assurance of £100,000 over 20 years. G – Guaranteed Premium. R – Reviewable Premium. E – Electronic P - Paper

Male, aged 35. Non smoker		Male, aged 35. Smoker		Female, aged 35. Non smoker		Female, aged 35. Smoker	
Company	Mth Premium	Company	Mth Premium	Company	Mth Premium	Company	Mth Premium
Synergy	£7.35 (R)	Synergy	£10.31(R)	Synergy	£5.36(R)	Synergy	£7.54 (R)
AXA	£7.78 (G)	Legal & General (E)	£13.00(G)	LV	£6.78 (G)	Legal & General (E)	£14.00 (G)
Legal & General (E)	£7.80 (G)	Royal Liver	£13.33 (G)	Aviva	£6.83 (G)	AEGON	£14.46 (G)
Royal Liver	£8.16 (G)	Zurich (P)	£13.40 (G)	AXA	£6.87 (G)	Aviva	£14.58 (G)
Aviva	£8.18 (G)	Zurich (E)	£13.40 (G)	Friends Provident	£6.96 (G)	PruProtect Essentials	£14.69 (G)
AEGON	£8.36 (G)	Aviva (E)	£13.40 (G)	Legal & General (E)	£7.00 (G)	PruProtect Essentials	£ 14.69 (G)
PruProtect Essentials	£8.45 (G)	Friends Provident	£13.57 (G)	Legal & General (P)	£7.00 (G)	Legal & General (P)	£14.80 (G)
LV	£8.55 (G)	AEGON	£13.69 (G)	AEGON	£7.40 (G)	Friends Provident	£14.94 (G)
Friends Provident	£8.65 (G)	Aviva	£13.73 (G)	Zurich (P)	£7.40 (G)	PruProtect Standard	£15.07 (G)
Legal & General (P)	£8.90 (G)	AXA	£13.88 (G)	Zurich (E)	£7.40 (G)	PruProtect Standard	£15.07 (G)

## Critical Illness Insurance

Examples based on male / female aged 30 with £100,000 of critical illness cover over a term of 25 years.

Male, aged 30. Non smoker		Male, aged 30. Smoker		Female, aged 30. Non smoker		Female, aged 30. Smoker	
Company	Mth Premium	Company	Mth Premium	Company	Mth Premium	Company	Mth Premium
Synergy	£14.73	Synergy	£19.97	Synergy	£21.27	Synergy	£24.30
Zurich (P)	£21.90	Zurich (P)	£35.60	Zurich (P)	£23.00	Friends Provident	£31.14
Zurich (E)	£21.90	Zurich (E)	£35.60	Zurich (E)	£23.00	Zurich (E)	£31.40
Friends Provident	£21.91	Friends Provident	£36.42	LV	£23.66	Zurich (P)	£31.40
AEGON	£22.43	Legal & General (E)	£36.80	Bupa	£23.88	LV	£31.42
LV	£22.67	Legal & General (P)	£46.40	Scottish Provident	£24.03	Legal & General (E)	£32.30
Scottish Provident	£22.85	AEGON	£38.37	Legal & General (E)t	£24.50	Scottish Provident	£34.44
Legal & General (E)	£23.60	Scottish Provident	£38.37	Friends Provident	£26.02	Bupa	£34.99

## Accident, sickness and unemployment cover

Example based on 30 year old requiring Accident, sickness and unemployment cover with £1,000 of monthly benefit to cover a mortgage payment and bills. Protection runs for max 12 months.

Provider	Monthly Premium	Monthly Benefit	Period Covered	Waiting period
helpucover.co.uk	£10.78	£1,100	6 months	180 days
i:protect insurance	£10.89	£1,100	6 months	180 days
i:protect insurance	£12.10	£1,100	6 months	90 days
i:protect insurance	£13.64	£1,100	12 months	180 days
i:protect insurance	£14.30	£1,100	6 months	90 days
i:protect insurance	£15.18	£1,100	6 months	60 days
helpucover.co.uk	£16.50	£1,100	12 months	180 days
getmY.com	£17.30	£1,100	6 months	30 days
i:protect insurance	£18.04	£1,100	12 months	90 days
helpucover.co.uk	£18.15	£1,100	6 months	60 days

## Home Insurance

Example based on 3 bedroom detached house. Rebuild cost £100,000 with £30,000 contents cover. Voluntary excess £100 buildings and contents

Provider	Annual Premium	Monthly Premium	
Quinn Direct	£202.56	£17.28 (10 months), deposit £43.27.	<b>Total £216.07</b>
Ehome	£207.29	£15.45 11 months), deposit £71.23.	<b>Total £241.18.</b>
Key Connect	£226.58	£22.75 (10months), deposit £20.60.	<b>Total £248.10.</b>
Key Connect	£237.18	£23.82 (10 month), deposit £21.56.	<b>Total £259.76.</b>
Elephant.co.uk	£242.12	£24.32 (10 months), deposit £22.01.	<b>Total £265.21.</b>
Pearl	£248.78	£24.32 (10 months), deposit £22.61	<b>Total £272.41.</b>
AA	£287.34	£28.73 (11 months), deposit £28.73.	<b>Total £332.54</b>
1 <sup>st</sup> Quote	£289.52	£27.30 (10 months), deposit £59.93.	<b>Total £332.93.</b>
PRESTIGE	£301.83	£28.39 (10 months), deposit £62.31.	<b>Total £346.12.</b>
Igo4value	£310.26	£27.63 (10 months), deposit £62.05.	<b>Total £338.35.</b>
CoverDirect	£313.83	£29.87 (10 months), deposit. £47.14.	<b>Total £345.84.</b>
Quotelinedirect	£320.28	£30.00 (12 months), no deposit.	<b>Total £360.00.</b>
BROKER KING	£325.64	£33.59 (12 months), no deposit	<b>Total £403.08.</b>
Directchoice	£327.67	£32.00(10 months), deposit £56.41.	<b>Total £376.41.</b>
Aim	£342.44	£85.61 (10 months), deposit £85.61.	<b>Total £373.21.</b>

## Landlord Insurance

Example based on property valued at £200,000

Provider	Annual Premium	Total Excess	Buildings Cover	Public Liability Cover	Loss of Rent
Finsbury Insurance Group	£176.05	£250	£100,000	£2,000,000	20%
Brit Assurance	£187.58	£250	£100,000	£2,000,000	20%
Acumus	£195.59	£250	£100,000	£2,000,000	20%

## Key Person Insurance

Example based on male, aged 30 for £100,000 of cover over a period of 25 years.

Provider	Monthly Premium	Premium Type	Terminal Illness Benefit
Friends Provident Business Protection	£27.94	Guaranteed	Yes
Legal & General Business Protection	£26.90	Guaranteed	Yes
AEGON Scottish Equitable Protection	£27.94	Guaranteed	Yes
Bright Grey Protection	£28.08	Guaranteed	Yes

## Fixed Rate Remortgages

Example based on estimated property Value £150,000, borrowing £75,000 over 25 Years on a repayment basis. No extended tie-in periods.

Provider	Rate Type	Initial Rate	Monthly Cost	Until/for	Tie-in-period	Standard Rate	Monthly Cost	25 Year APR
The Mortgage Works	Fixed	2.24%	£327	31/01/2014	31/01/2014	4.79%	£421	Pending
Leeds Building Society	Fixed	2.29%	£329	31/01/2014	31/01/2014	5.69%	£457	5.40%
Hanley Economic Building Society	Fixed	2.35%	£331	30/11/2013	30/11/2013	5.19%	£438	5.00%
Santander UK Plc	Fixed	2.35%	£331	02/02/2014	02/02/2014	4.24%	£400	4.10%
NatWest	Fixed	2.45%	£335	31/10/2014	0 months	4.00%	£391	3.90%
Royal Bank of Scotland	Fixed	2.45%	£335	31/03/2014	31/03/2014	4.00%	£391	3.90%
Leeds Building Society	Fixed	2.49%	£336	31/01/2014	31/01/2014	5.69%	£458	5.40%
Skipton Building Society	Fixed	2.58%	£339	31/01/2014	31/01/2014	4.95%	£428	3.90%
ING Direct	Fixed	2.49%	£336	30/11/2013	30/11/2013	3.50%	£372	3.50%
NatWest	Fixed	2.65%	£342	31/03/2014	30/03/2014	4.00%	£391	3.90%
Royal Bank Of Scotland	Fixed	2.65%	£342	31/03/2014	31/03/2014	4.00%	£391	4.00%
Market Harborough Building Society	Fixed	2.69%	£344	31/12/2013	31/12/2013	5.49%	£451	5.10%
Cumberland	Fixed	2.74%	£346	01/12/2013	01/12/2013	4.49%	£411	4.30%

<b>Principality Building Society</b>	Fixed	2.74%	£346	31/12/2013	31/12/2013	4.99%	£431	4.80%
<b>Skipton Building Society</b>	Fixed	2.78%	£347	31/01/2013	31/01/2014	4.95%	£429	4.90%
<b>Chelsea Building Society</b>	Fixed	2.79%	£348	31/01/2014	31/01/2014	5.79%	£463	5.60%
<b>Mansfield</b>	Fixed	2.79%	£348	24 months	24 months	5.59%	£456	5.30%
<b>Santander UK Plc</b>	Fixed	2.79%	£348	02/02/2014	02/02/2014	4.24%	£401	4.10%
<b>Santander UK Plc</b>	Fixed	2.79%	£348	02/02/2014	02/01/2014	4.24%	£401	4.20%
<b>Santander UK Plc</b>	Fixed	2.79%	£348	02/02/2014	02/01/2014	4.24%	£401	4.20%

## Variable Rate Remortgages

Example based on estimated property Value £150,000, borrowing £75,000 over 25 Years on a repayment basis. No extended tie-in-periods.

Provider	Rate Type	Initial Rate	Monthly Cost	Until/for	Tie-in-period	Standard Rate	Monthly Cost	25 Year APR
<b>Holmesdale Building Society</b>	Discounted Variable	1.99%	£318	24 months	24 months	4.89%	£425	4.60%
<b>HSBC</b>	Discounted Variable	1.99%	£318	31/01/2014	31/01/2014	3.94%	£387	3.70%
<b>The Mortgage Works</b>	Tracker (stepped)	1.99%	£318	31/01/2013	31/01/2014	4.79%	£422	Pending
<b>Chelsea Building Society</b>	Tracker (stepped)	2.09%	£321	31/12/2013	31/12/2016	5.79%	£452	4.90%
<b>Santander UK plc</b>	Tracker	2.09%	£321	24 months	02/01/2014	4.24%	£399	4.00%
<b>Santander UK plc</b>	Tracker	2.09%	£321	24 months	02/01/2014	4.24%	£399	4.00%
<b>Chelsea Building Society</b>	Tracker (stepped)	2.19%	£325	31/12/2013	31/12/2016	5.79%	£453	5.00%
<b>Chelsea Building Society</b>	Tracker	2.19%	£325	31/01/2014	31/01/2014	5.79%	£461	5.40%
<b>NatWest</b>	Tracker	2.19%	£325	31/03/2014	31/03/2014	4.00%	£390	4.00%
<b>Royal Bank of Scotland</b>	Tracker	2.19%	£325	31/03/2014	31/03/2014	4.00%	£390	4.00%
<b>The Mortgage Works</b>	Tracker	2.19%	£325	31/01/2014	31/01/2014	4.79%	£421	Pending
<b>Chelsea Building Society</b>	Tracker	2.29%	£329	31/01/2014	31/01/2014	5.79%	£461	Pending
<b>Royal Bank of Scotland</b>	Tracker	2.19%	£325	30/11/2013	30/11/2013	4.00%	£390	4.00%
<b>The Mortgage Works</b>	Tracker (stepped)	2.19%	£325	31/01/2014	31/01/2014	4.79%	£421	Pending
<b>Chelsea Building Society</b>	Tracker	2.29%	£329	31/01/2014	31/01/2014	5.79%	£461	5.40%
<b>Yorkshire Building Society</b>	Tracker (stepped)	2.29%	£329	31/12/2013	31/12/2016	4.99%	£424	4.90%
<b>The Mortgage Works</b>	Tracker (stepped)	2.34%	£330	31/01/2013	31/01/2014	4.79%	£423	Pending
<b>Skipton Building Society</b>	Tracker	2.38%	£332	24 months	24 months	4.95%	£428	4.80%
<b>Abbey (Santander)</b>	Tracker	2.39%	£332	24 months	02/01/2014	4.24%	£400	4.10%
<b>Abbey (Santander)</b>	Tracker	2.39%	£332	24 months	02/01/2014	4.24%	£400	4.10%

## Annuities

Example based on Male purchasing an annuity, aged 65. Smoker/all : All. Pension fund of £20,000. Joint life annuity, no guarantee. Age of spouse - 60. Level of income for spouse - 50%.

Provider	Smoker/All	Monthly Income		
		Level	Increasing by 3%	Increasing by RPI
Reliance Mutual	Smokers only	£101.00	£72.00	n/a
Just Retirement	Smokers only	£100.00	£72.00	£64.00
Partnership Assurance	Smokers only	£95.00	£66.00	£54.00
MGM Advantage	All	£94.00	£66.00	£58.00
Legal & General	All	£92.00	£62.00	£52.00

Male purchasing an annuity, aged 65. Smoker/all : All. Pension fund of £20,000. Joint life annuity, 5 year guarantee. Age of spouse - 60. Level of income for spouse - 50%.

Reliance Mutual	Smokers Only	£101.00	£72.00	n/a
Just Retirement	Smokers Only	£100.00	£72.00	£64.00
LV	Smokers only	£99.00	£70.00	£54.00
Partnership Assurance	Smokers only	£95.00	£66.00	£54.00
Saga	All	£91.00	£61.00	£53.00

Male purchasing an annuity, aged 65. Smoker/all : All. Pension fund of £20,000. Joint life annuity, 10 year guarantee. Age of spouse - 60. Level of income for spouse - 50%.

<b>Reliance Mutual</b>	Smokers only	£99.00	£71.00	n/a
<b>Just Retirement</b>	Smokers only	£98.00	£71.00	£63.00
<b>LV</b>	Smokers only	£98.00	£69.00	£54.00
<b>MGM Advantage</b>	Smokers only	£93.00	£65.00	£57.00
<b>Partnership Assurance</b>	Smokers only	£93.00	£65.00	£54.00

## Endowments

Example based on 30 year old male, non-smoker making a £100 regular monthly payment.

Provider	Product Name	Illustrated Fund	Charges & Deductions	Charges in Early Years
<b>Police Mutual</b>	Regular Savings	With Profit	£1,467	£909
<b>Teachers Assurance</b>	Guaranteed Savings Plan	With Profit	£1,750	£1,060
<b>Wesleyan</b>	Fixed Term Saving Plan	Wesley Life With Profit Fund	£1,833	£282
<b>Scottish Friendly Assurance</b>	Prosperity Savings Plan	With Profits Fund	£2,120	£1,370
<b>Sheffield Mutual Friendly Society</b>	Regular Savings Plan	With Profits Fund	£2,222	£918
<b>Red Rose Friendly Society</b>	Savings Endowment	Traditional Endowment With Profits	£2,240	£1,090

## Stakeholder & Personal Pensions

Example based on 30 year old planning to retire aged 65 making a £100 regular monthly payment.

Provider	Product Name	Illustrated Fund	Charges & Deductions	Charges in Early Years	Stakeholder
<b>AEGON Scottish Equitable</b>	FPP - Financial Adviser Charge Option	UK Equity	£25,445	£496	No
<b>AEGON Scottish Equitable</b>	FPP - Financial Adviser Charge Option	With Profits Growth Fund	£25,445	£496	No
<b>B &amp; C E Insurance Ltd</b>	EasyBuild (Non Restricted)	EasyBuild Balanced Fund	£29,900	£75	Yes
<b>Prudential</b>	Flexible Retirement Plan	Prudential Managed A Fund	£30,200	£78	No
<b>Scottish Life (Royal London)</b>	Pension Portfolio	Unitised With Profits	£30,324	£332	No
<b>Scottish Life (Royal London)</b>	Pension Portfolio	Manager Fund	£30,324	£332	No
<b>AXA Wealth</b>	The One from Winterthur	Winterthur Index Linked	£30,900	£143	No
<b>Standard Life</b>	Active money pp (Online Applications) £	Standard Life Pension Managed 70/30	£33,300	£64	No
<b>Friends Life</b>	Friends Online Stakeholder Plan	Managed Fund	£36,947	£63	Yes
<b>Standard Life</b>	Stakeholder Pension Plan	Stakeholder With Profits	£39,000	£78	Yes
<b>Standard Life</b>	Stakeholder Pension Plan £	Stakeholder Managed Fund	£39,000	£78	Yes
<b>Aviva Life &amp; Pensions UK Limited</b>	Stakeholder Pension Plan £	Aviva Balanced Managed	£40,960	£90	Yes
<b>Aviva Life &amp; Pensions UK Limited</b>	Stakeholder Pension Plan £	Aviva Stakeholder With Profit Fund	£40,960	£90	Yes
<b>Legal &amp; General</b>	Legal & General Stakeholder Pension Scheme	Managed Fund	£42,400	£94	Yes
<b>Legal &amp; General</b>	Legal & General Stakeholder Pension Scheme	Managed Fund	£42,400	£94	Yes
<b>BlackRock Pensions Ltd</b>	BlackRock Individual Stakeholder Plan	DC Strategic Accumulation Ltd	£43,054	£75	Yes
<b>Legal &amp; General UT Mgrs Ltd</b>	Legal & General (UTM) Stakeholder (Nationwide)	Tracker Pension Fund	£45,000	£78	Yes
<b>Scottish Widows</b>	Stakeholder Pension Plan	Consensus Fund	£45,000	£78	Yes
<b>Scottish Widows</b>	Stakeholder Pension Plan	Consensus Fund	£45,000	£78	Yes
<b>Scottish Widows</b>	Stakeholder PPP – Web Only	Consensus Fund	£45,000	£78	Yes

## Savings Accounts

Example based on initial deposit of £10,000 with option to make regular deposits. Notice period up to 1 year. Available only to adults. Taxable.

Provider	Product Name	Initial Rate	Rate Type	Until/for
Saga	Fiver Year Fixed Rate Internet Savings Bond	4.50%	Fixed	Term
Saga	Fiver Year Fixed Rate Internet Savings Bond	4.41%	Fixed	Term
Saga	3 Year Fixed Rate 4.00% Savings Account	4.00%	Fixed	Term
Saga	Internet 3 Year Fixed Rate Bond	4.00%	Fixed	Term
Saga	3 Year Fixed Rate 3.93%	3.93%	Fixed	Term
Saga	Internet 3 Year Fixed Rate 4.00% Savings Account	4.00%	Fixed	Term
Saga	3 Year Fixed Rate 3.93% Savings Account	3.93%	Fixed	Term
Saga	Internet 3 Year Fixed Rate 3.93% Savings Account	3.93%	Fixed	Term
Saga	2 Year Fixed Rate 3.60% Savings Account	3.60%	Fixed	Term
Saga	Internet 2 Year Fixed Rate 3.60%	3.60%	Fixed	Term
Aldermore	120 Day Notice Account	3.20%	Fixed	Term
Manchester Building Society	Premier Notice Issue 37	3.16%	Fixed	Term
Aldermore	120 Day Notice Account	3.20%	Variable	Ongoing
Manchester Building Society	Premier Notice Issue 37	3.16%	Variable	Term
Aldermore	120 Day Notice Account	3.15%	Variable	Ongoing
Julian Hodge Bank	Extra High Interest Deposit	3.05%	Variable	Ongoing
Julian Hodge Bank	Extra High Interest Deposit	3.01%	Variable	Ongoing
Post Office Ltd	Online Saver Issue 4	3.01%	Variable	Ongoing

## Unit Trust and OEIC ISAs

Example based on IMA (Investment Management Association) fund sector of All UK Companies. £3,600 invested as a single lump-sum payment for minimum 10 years.

Provider	Product Name	Illustrated Fund	Charges & Decutions	Charges in Early Years	Transfers in	Transfers out	Stakeholder
<b>HSBC Trust Company (UK) Ltd</b>	ISA £	FTSE 100 Index Fund – R	£188	£35	Standard charges	Free	No
<b>HSBC Trust Company (UK) Ltd</b>	ISA £	FTSE All Share 250 Index Fund - R	£188	£35	Standard charges	Free	No
<b>HSBC Trust Company (UK) Ltd</b>	ISA £	FTSE All Share Index Fund – R	£188	£35	Standard charges	Free	No
<b>Fidelity International</b>	ISA £	Moneybuilder UK Index Fund	£209	£39	Standard charges	Free	No
<b>F&amp;C</b>	Investment Funds ISA £	FTSE All-Share Tracker	£296	£64	Standard charges	Free	No
<b>Legal &amp; General</b>	ISA £	UK Index Trust – (R)	£345	£70	Standard charges	Free	No
<b>M&amp;G</b>	ISA £	Index Tracker Fund A	£346	£66	Standard charges	Free	No
<b>Liontrust</b>	ISA £	Top 100 Fund	£347	£85	Standard charges	Charged	No
<b>Henderson Global Investors</b>	Henderson Investment Funds ISA £	UK Index Fund – R	£417	£85	Standard charges	Free	No
<b>Allianz Global Investors</b>	ISA £	Allianz RCM UK Index Fund - A	£466	£110	Standard charges	Free	No
<b>Fidelity International</b>	ISA £	MoneyBuilder Growth ISA Fund	£507	£119	Standard charges	Free	No
<b>Legal &amp; General</b>	ISA £	UK 100 Index	£507	£104	Standard charges	Free	No
<b>Aviva Investors</b>	Investment ISA £	UK 100 Index Tracking Fund 1	£570	£117	Standard charges	Free	No
<b>Aviva Investors</b>	Investment ISA £	Blue Chip Tracking Fund 1	£587	£121	Standard charges	Free	No

## Investment Bonds

Example based on £10,000 lump sum investment.

Provider	Product Name	Illustrated Fund	Charges & Deductions	Charges in Early Years	Min. Withdrawal	Min. Balance
<b>AEGON</b>	Investment Control	Mixed	£830	£147	£250	£250
<b>Zurich Assurance Ltd</b>	Investment Bond – Flexible	Sterling UK Fund	£917	£238	£1000	£50
<b>Zurich Assurance Ltd</b>	Investment Bond – High Allocation	Sterling UK Fund	£1,010	£252	£1000	£50
<b>Zurich Assurance Ltd</b>	Investment Bond – Standard	Sterling UK Fund	£1,050	£271	£1050	£50
<b>Prudential</b>	Prudential Investment Plan (Clean)	Prudential Managed Fund	£1,290	£265	£500	£50
<b>Zurich Assurance Ltd</b>	Investment Bond – no Exit Penalty	Sterling UK Fund	£1,290	£351	£1,000	£50
<b>Scottish Widows</b>	Investment Bond – Initial Allocation	Balanced Fund	£1,366	£381	£1,000	£20
<b>Scottish Widows</b>	Investment Bond – Matched Charge	Balanced Fund	£1,653	£352	£1,000	£20

The figures and details shown are obtained from sources believed to be reliable. However, the accuracy and completeness of any information cannot be guaranteed and no warranty or representation is given and users must check all rates, conditions and details before finalising any arrangement. No liability can be accepted for any direct or consequential loss arising from the use or reliance upon this information.

# INSURANCE INFORMATION GUIDE

**NOTE:** This is general information to help you make financial decisions. It is not advice, and cannot take account of your individual circumstances. When making decisions about your own circumstances you should consider whether to consult a financial or other professional adviser.

## Why Do You Need Insurance?

Because the unexpected sometimes happens. If you're burgled, insurance can pay for you to replace the things that were taken. If you need medical treatment, it can pay for private healthcare, and replace some of your income if you can't work. If you die, insurance can pay a lump sum to the family you leave behind.

In this brief insurance guide we explain the main things you can insure, how it works and things to think about to help you decide whether you need insurance.

## What is Insurance?

Insurance is a way of protecting yourself and your belongings against a particular adverse event, for example, a burglary, or losing your income because of illness. If this happens, insurance will pay out an agreed amount or an amount to cover the damage, as appropriate. Of course, it may not happen, but you have to decide whether you're willing or able to take that risk. Some insurance, like motor insurance, is compulsory – you have to have it if you drive.

## How does it Work?

The amount you pay for insurance will be based on the information you give the insurance company and the type of risk you want to insure. Insurance companies use underwriting criteria, for example, where you live, if you smoke or what type of activity you would like to be covered to help them work out the price (premium) of the insurance. You might find that some insurance companies may not be able to give you a price for the cover you need. This could be because that particular insurance company doesn't offer insurance for the type of risk you want to insure (for example things like antiques or vintage cars). If you want this type of insurance you might have to go to a company that specialises in this type of insurance cover.

The insurance company agrees to pay out if the event which you're insuring against happens. For example, your travel insurance policy may pay out for loss of luggage. It is important that you give the insurance company the correct information when buying insurance as incorrect information might affect your claim.

You pay either a sum for the whole year (or sometimes longer), called a single premium, or a regular premium, usually monthly, for the policy. You can choose which company's policy to buy yourself or you can go to an insurance broker or financial adviser, who'll help you choose. Most insurance lasts for one year at a time and you can renew your policy when it ends, or go somewhere else for a better deal. But make sure you don't lose out by switching and always check that a new policy covers what you need it for. Always compare what's covered by a policy, not just the price. Some might be cheaper than others, but they may not offer the same level of protection.

### Protecting Income or Borrowing

Once you take out any kind of loan, it's very important that you make all the repayments in full, and on time. If you fail to do so you could lose your home if it's a mortgage or your loan is secured on it. It could also affect your credit rating. Sometimes, however, the unexpected happens. For example, you might lose your job through redundancy, or find yourself unable to work due to long-term sickness. By law, an employer must pay most employees statutory sick pay for up to 28 weeks though this will probably be a lot less than full earnings. After that, you would probably have to fall back on State benefits. These are limited and means-tested which may mean you won't qualify. If you are self-employed, you have no employer to help, so you would have to turn to the State.

This is when insurance to protect you or your family's income or borrowing can be useful. Listed below are some examples of pure protection products and why you might find them useful:

### Term Assurance (Life Insurance)

Life insurance is about providing some financial security for people who depend on you if you died. (So if you don't have a partner, spouse or civil partner, children, or other dependants, you may not need life cover). To make sure you buy the right amount of cover, with the right terms and conditions, you should consider getting some financial advice. Always answer questions as best you can and disclose any existing medical conditions when asked. If you don't give the full facts, you could invalidate your policy and the insurance company won't pay out. There are two main types of life insurance: Term Insurance and Whole-of-Life Insurance.

A) Term insurance (also called Term Assurance) pays out only if you die within a certain term, and Whole-of-Life Insurance pays out whenever you die. Some Whole-of-Life policies also contain an investment element to them, but such investment-type policies cost a lot more than protection-only insurance. Term Insurance is the simplest and cheapest type of life insurance, and is known as term insurance because you choose how long you're covered for, say, 10, 15, or 20 years (the term). Term insurance only pays out if you die within the term you've agreed. If you live longer than the term, you get nothing. As a couple, you can also take out term cover in both your names, with the policy paying out if either of you die during the term.

B) Whole-of-life insurance pays out an agreed sum when you die, whenever that is. These policies will cost you more, partly because they will pay out whenever the event (death) happens, but also because of the various charges that come with them. The cost also depends on your lifestyle: if you're a smoker and do a dangerous job, you'll pay more than a non-smoking office worker. Life cover also costs more for men because, on average, they don't live as long as women. Always compare what's covered by a policy, not just the price. Some might be cheaper than others, but they may not offer the same level of protection.

### Critical Illness Insurance

Critical Illness Cover (CIC) pays out a lump sum if you are diagnosed with certain illnesses. The illnesses covered will be specified in the policy along with any exclusions – these differ between insurers. CIC policies usually only pay out once, so are not a replacement for income. Many people buy CIC when they take on a major commitment such as a mortgage.

### Income Protection Insurance

If you are an employee and you fall ill, your employer might pay you your full pay for a few weeks or months. By law, an employer must pay most employees statutory sick pay for up to 28 weeks, though this will probably be a lot less than your full earnings. After that, you would probably have to rely on state benefits. However, some employers arrange group income protection insurance for their employees as a perk of their job, which can pay out an income after the statutory sick period. So check what you are entitled to. If you are self-employed, you won't have this option.

State benefits are not generous. You would probably see a substantial drop in your income if you were out of work for more than a few months because of illness or disability. Insurance aims to put you back to the position you were in before you suffered a loss. But it does not allow you to make a profit out of your misfortune. So the maximum amount of income you can replace through insurance is broadly the after-tax earnings you have lost less an adjustment for State Benefits you can claim. This usually translates into a maximum of, say 50% to 65% of your before-tax earnings.

### Payment Protection Insurance (this includes elements of pure protection and general insurance)

Payment protection insurance, or PPI, is insurance that will pay out a sum of money to help you cover your monthly repayments on mortgages, loans, credit/store cards or catalogue payments if you are unable to work. This could be because you have an accident or sickness, or become unemployed through no fault of your own. This means that the insurance company will pay the monthly repayments (or a percentage of them) on your behalf for a fixed period of time if you become unable to work. It is sometimes known as ASU (accident, sickness and unemployment) insurance, Account Cover or Payment Cover.

## GENERAL INSURANCE

### Motor Insurance

The law says you have to have motor insurance to drive a car or motorbike. Some policies cover the replacement or repair of your vehicle, depending on the circumstances of an accident. You can choose from three levels of cover:

- Third party – this is the minimum legal requirement and covers you if you injure a third party, including passengers or their property, but does not cover damage to your own vehicle.
- Third party, fire and theft – covers third party injuries and liabilities, and also fire and theft to your own vehicle, but not accidental damage to your vehicle.
- Comprehensive – as well as the above, this will cover fire, theft and accidental damage to your vehicle.

### Household Insurance

If you have a mortgage, your lender will insist that your property (and their security) is protected by buildings insurance. It usually pays out if your property is destroyed by fire, floods or subsidence (although you will need to check if you live on a flood plain, for example). Damage to fixed fittings such as baths and kitchens are often included, as well as sheds, greenhouses and garages.

If you purchase a leasehold property (such as a flat in a block of flats) the freeholder may have arranged buildings insurance for the whole block, in which case you may not need your own buildings policy.

### Travel Insurance

If you travel without travel insurance, you run the risk of losing out if things go wrong. For example, if you're uninsured and you lose your luggage, you may not be able to recover the cost of it. Also, if you suffer serious injury, you may end up paying for medical treatment.

However, if you are a UK resident you are entitled to free or reduced-cost, State-provided healthcare when visiting a European Union (EU) country as long as you have the necessary European Health Insurance Card (EHIC). In many other countries, outside the EU, healthcare can be very expensive. But you should remember that the EHIC is not a substitute for travel insurance, as it only covers you for when you are ill.

Most travel insurance plans will cover medical bills for £1m, and often more, as well as pay for an emergency air ambulance to bring you home for treatment in the UK. Travel insurance can also cover you against other mishaps while you're abroad, from theft to flight delays.

Most policies have a standard excess charge which means you agree to pay the first part of any claim, for example the first £50 or £100. If you agree to pay a higher excess you might get a cheaper policy.

### Health Cover

Health cash plans provide limited cash sums towards everyday healthcare bills. Different policies cover one or a combination of healthcare such as dental care, optical care, physiotherapy, or stays in hospital.

So for example a policy will pay out a maximum of £100 per year towards optical care bills you have incurred, and £10 for each night you need stay in hospital (up to a maximum of say 16 nights). Most providers offer a range of covers with different levels of payouts, and the smaller the payouts the cheaper the premiums.

Some policies have age restrictions and will only cover you if you are under a certain age (often 65). If you've had health problems in the past (pre-existing conditions), the cash plan may not pay out on certain types of healthcare. Some plans also apply qualifying periods which means that they will not pay out towards any treatment undergone in the first few months of the policy, so shop around and make sure you get the cover you need.

### Dental Insurance

Dental insurance is a type of health cash plan that focuses on dental care. Most of these pay for treatments such as crowns, root canal work, bridges and dentures up to an agreed maximum each year. If your teeth are in good health you can also take out a capitation scheme: you pay a monthly fee in return for check-ups, regular treatment, X-rays and extractions.

More serious work such as oral cancer, surgery and serious dental abscesses are often excluded. Some plans apply qualifying periods which means that they will not pay out towards any treatment undergone in the first few months of the policy.

### Pet Insurance

There are two kinds of pet insurance:

- Life-long – it will pay out for specific conditions for the life of your pet
- Time-limited – it will only pay out for 12 months per condition.

Policies vary, but in addition to an agreed maximum payout for a vet's bills and drugs, some will pay for you to advertise if your pet has been lost; or for kennel/cattery fees if you suddenly have to go into hospital; and, in some cases, the cost of making good damage caused by your pet.

Generally, the routine maintenance items such as annual vaccinations, boosters and nail clipping, as well as spaying and neutering.

### Keeping Costs Down

Most policies have a standard excess charge which means you agree to pay the first part of any claim, for example the first £50 or £100. If you agree to pay a higher excess you might get a cheaper policy. Make sure you disclose any key relevant information. Always compare what's covered by a policy, not just the price. Some may be cheaper than others, but they may not offer the same level of protection.

### Buying Insurance

You can buy insurance directly from insurers over the phone, internet or by mail, but you can also buy insurance from other types of firms such as banks, building societies, insurance brokers, financial advisers, mortgage brokers, or supermarkets.

Firms selling insurance and those providing insurance cover have to be regulated by the Financial Services Authority (FSA), or be the agent of a regulated firm. Regulated firms and their agents are entered on the FSA Register and have to meet certain standards. Always make sure that the firm you use is on the Register. If they aren't regulated by the FSA and things go wrong, you won't have access to complaints and compensation procedures.

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