

## BEST BUY TABLES & INFORMATION GUIDE – April/May 2010

### 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
Halifax	Fixed (stepped)	2.79%	£347	30/06/2012	30/06/2012	3.50%	£376	3.80%
Alliance & Leicester	Fixed	2.89%	£351	31/05/2012	31/05/2012	4.99%	£431	5.00%
Alliance & Leicester	Fixed	2.99%	£355	31/05/2012	31/05/2012	4.99%	£432	5.00%
Cheltenham & Gloucester	Fixed	2.99%	£355	31/05/2012	31/05/2012	2.50%	£337	2.90%
Halifax	Fixed	2.99%	£355	30/06/2012	30/06/2012	3.50%	£376	3.8%
HSBC	Fixed	2.99%	£355	31/07/2012	31/07/2012	3.94%	£390	4.00%
Yorkshire Building Society	Fixed	2.99%	£355	31/05/2012	31/05/2012	4.99%	£432	5.00%
Yorkshire Building Society	Fixed	2.99%	£355	31/05/2011	31/05/2011	4.99%	£435	5.00%
ING Direct	Fixed	3.04%	£357	31/05/2012	31/05/2012	3.50%	£374	3.60%
Leeds Building Society	Fixed	2.99%	£358	30/04/2011	30/04/2011	5.49%	£459	5.40%
First Direct	Fixed	3.09%	£359	24 months	24 months	3.69%	£381	3.80%
Yorkshire Building Society	Fixed	3.09%	£359	31/05/2011	31/05/2011	4.99%	£435	5.00%
Yorkshire Building Society	Fixed	3.09%	£359	31/05/2012	31/05/2012	4.99%	£432	5.00%
Post Office Mortgage	Fixed	3.15%	£361	30/06/2012	30/06/2012	3.49%	£374	3.70%
Britannia	Fixed	3.19%	£363	30/06/2012	30/06/2012	4.24%	£402	4.30%
The Co-operative Bank	Fixed	3.19%	£363	30/06/2012	30/06/2012	4.24%	£402	4.30%
ING Direct	Fixed	3.24%	£365	31/05/2012	31/05/2012	3.50%	£374	3.60%
Accord Mortgages	Fixed	3.24%	£365	30/04/2012	30/04/2012	5.99%	£474	6.00%
Melton Mowbray Building Society	Fixed	3.25%	£365	31/05/2012	31/05/2012	4.99%	£432	5.00%
Market Harborough Building Society	Fixed	3.25%	£365	30/04/2012	30/04/2012	5.49%	£453	5.40%

Your home may be repossessed if you do not keep up repayments on your mortgage.

## 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
Alliance & Leicester	Tracker	1.84%	£312	24 months	24 months	4.99%	£428	4.80%
Alliance & Leicester	Tracker	1.99%	£317	24 months	24 months	4.99%	£428	4.70%
Cheltenham & Gloucester	Tracker	1.99%	£317	31/05/2012	31/05/2012	2.50%	£335	2.70%
HSBC	Discounted	1.99%	£317	24 months	24 months	3.94%	£387	3.80%
Chorley & District	Discount (stepped)	2.00%	£320	36 months	36 months	5.49%	£454	5.20%
Cheltenham & Gloucester	Tracker	2.29%	£328	31/05/2012	31/05/2012	2.50%	£336	2.80%
First Direct	Tracker	2.39%	£332	n/a	n/a	n/a	n/a	2.50%
Accord Mortgages	Tracker	2.39%	£332	30/04/2012	30/04/2012	5.99%	£472	5.90%
Abbey	Tracker	2.45%	£334	24 months	24 months	4.24%	£400	4.20%
Abbey	Tracker	2.49%	£336	24 months	24 months	4.24%	£400	4.20%
Accord Mortgages	Tracker	2.49%	£336	30/04/2012	30/04/2012	5.99%	£472	5.90%
Britannia	Tracker	2.49%	£336	31/07/2013	31/07/2013	4.24%	£397	4.00%
HSBC	Tracker	2.49%	£336	Term	None	n/a	n/a	2.70%
HSBC	Tracker	2.49%	£336	Term	None	n/a	n/a	2.60%
ING Direct	Tracker	2.49%	£336	Term	None	n/a	n/a	2.60%
ING Direct	Tracker	2.49%	£336	24 months	24 months	3.50%	£372	3.50%
The Co-operative Bank	Tracker	2.49%	£336	31/07/2013	31/07/2013	4.24%	£397	4.00%
Yorkshire Bank	Tracker	2.49%	£336	31/05/2012	31/05/2012	4.99%	£430	4.80%
Yorkshire Bank	Tracker	2.49%	£336	31/05/2012	31/05/2012	4.99%	£430	4.80%
Earl Shilton Building Society	Discounted	2.45%	£337	30 months	30 months	4.95%	£431	4.70%

Your home may be repossessed if you do not keep up repayments on your mortgage.

## Life Insurance

Example based on Level Term Life Assurance of £100,000 over 20 years

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
Aviva	£5.99	Aviva	£9.81	Aviva	£5.00	Aviva	£7.90
Aviva	£6.01	Aviva	£9.85	Aviva	£5.00	Aviva	£7.94
Bright Grey	£6.91	Aviva	£10.84	Aviva	£5.21	Aviva	£8.74
Legal & General	£7.02	Prudential Protect	£11.19	Bright Grey	£5.39	Prudential Protect	£9.08
Liverpool Victoria	£7.15	Legal & General	£11.55	Legal & General	£6.00	Legal & General	£9.15
Legal & General	£7.20	Aviva	£12.05	Aviva	£6.06	Aviva	£9.30
Aviva	£7.24	Legal & General	£12.32	Liverpool Victoria	£6.10	Aviva	£9.53
Axa	£7.34	Aviva	£12.70	Aviva	£6.16	Aviva	£9.70
Axa	£7.45	Legal & General	£13.00	Legal & General	£6.20	Legal & General	£9.76
Legal & General	£7.49	Marks & Spencers	£14.55	Aviva	£6.48	Legal & General	£10.30

## Accident, sickness and unemployment cover

Example based on 30 year old UK resident in permanent employment working 37.5 hours per week. Accident, sickness and unemployment cover with £1,000 of monthly benefit to cover mortgage payment plus 25% extra cover for bills etc. Protection runs for 1 - 2 years.

Provider	Product name	Max no of payments A&S/U	Waiting period A&S	Waiting period U	Monthly cost	Cost over term (1 year)
British Insurance	Accident & Sickness Cover	12	31	n/a	£22.50	£270
Keystone	Keystone Regular Commitment Cover	12	31	n/a	£28.13	£309.43
Keystone	Keystone Regular Commitment Cover	12	n/a	30	£35.50	£390.50
Easi Protect	Accident, Sickness & Mortgage Payment Protection	12	31	n/a	£37.38	£411.18
British Insurance	Un-Employment Cover	12	n/a	31	£42.50	£510
British Insurance	Accident, Sickness and Un-Employment Cover	12	31	31	£43.75	£525
Easi Protect	Un-Employment, Mortgage Payment Protection	12	n/a	31	£44.48	£533.76
Account Solutions	Mortgage Payment Protection	12	31	n/a	£46.87	£562.44
Coverwise	Repayment Protection Plan	12	31	n/a	£47.25	£567
Keystone	Keystone Regular Commitment Cover	12	31	31	£49.37	£543.07
Easi Protect	Accident, Sickness, Un-Employment, Mortgage Payment Protection	12	31	31	£49.88	£548.68
Sentinel	Mortgage Payment Protection Insurance	24	91	n/a	£61.25	£735
Sentinel	Mortgage Payment Protection Insurance	24	61	n/a	£64.50	£774
Sentinel	Mortgage Payment Protection Insurance	24	91	91	£67.87	£814.44
Sentinel	Mortgage Payment Protection Insurance	24	61	61	£68.50	£822
Sentinel	Mortgage Payment Protection Insurance	24	31	n/a	£71.38	£856.56
Coverwise	Repayment Protection Plan	12	31	31	£77.00	£924
Sentinel	Mortgage Payment Protection Insurance	24	31	31	£81.63	£979.56
Sentinel	Mortgage Payment Protection Insurance	24	31	31	£84.87	£1,018.44
Assurant Solutions	Mortgage Payment Protection	12	31	31	£85.25	£1,023

## 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%.

### Monthly Income

Provider	Smoker/All	Level	Increasing by 3%	Increasing by RPI
SAGA Provided by Legal & General	All	£100	£66	£55
Canada Life Ltd	All	£97	£66	£57
Legal & General	All	£97	£66	£53
B & C E Insurance Ltd	All	£92	n/a	n/a
Standard Life	All	£92	£61	£55

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%.

SAGA Provided by Legal & General	All	£100	£66	£55
Canada Life Ltd	All	£97	£66	£57
Legal & General	All	£97	£66	£53
B & C E Insurance Ltd	All	£92	n/a	n/a
Standard Life	All	£92	£61	£55

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%.

SAGA Provided by Legal & General	All	£100	£66	£55
Canada Life Ltd	All	£96	£66	£57
Legal & General	All	£96	£66	£52
Standard Life	All	£91	£61	£54
Friends Provident	All	£87	£58	n/a

## 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	Mixed Fund	£25,748	£496	No
<b>AEGON Scottish Equitable</b>	FPP - Financial Adviser Charge Option	With Profits Growth Fund	£25,748	£496	No
<b>AEGON Scottish Equitable</b>	FPP - Establishment Charge Option	Mixed Fund	£28,896	£781	No
<b>AEGON Scottish Equitable</b>	FPP - Establishment Charge Option	With Profits Growth Fund	£28,896	£781	No
<b>Friends Provident</b>	Milestones Online Stakeholder Plan	Managed Fund	£29,745	£63	Yes
<b>Prudential</b>	Prudential Flexible Retirement Plan	Prudential Managed A Fund	£30,200	£78	No
<b>Scottish Life (Royal London)</b>	Pension Portfolio	Managed Fund	£30,239	£332	No
<b>Scottish Life (Royal London)</b>	Pension Portfolio	Unitised With Profits	£30,239	£332	No
<b>Scottish Widows</b>	Stakeholder Pension Plan	Consensus Fund	£34,000	£57	Yes
<b>Scottish Widows</b>	Stakeholder Pension Plan	Consensus Fund	£34,000	£57	Yes
<b>Scottish Widows</b>	Stakeholder PPP – Web Only	Consensus Fund	£36,900	£63	Yes
<b>B &amp; CE Ins Ltd</b>	Easy Build (non Restricted)	Easy Build Managed Fund	£37,100	£75	Yes
<b>Friends Provident</b>	The Personal Range Individual Personal Pension	Managed Fund	£38,244	£78	No
<b>Friends Provident</b>	The Personal Range Individual Personal Pension	Managed Fund	£38,244	£78	Yes
<b>Standard Life</b>	Stakeholder Pension Plan	Stakeholder Managed Fund	£39,000	£78	Yes
<b>Standard Life</b>	Stakeholder Pension Plan	Stakeholder With Profits 2006 Fund	£39,000	£78	Yes
<b>Legal &amp; General</b>	Legal & General Personal Pension Scheme	Managed Fund	£42,400	£94	Yes
<b>Legal &amp; General</b>	Legal & General Personal Pension Scheme	Managed Fund	£42,400	£94	Yes
<b>Legal &amp; General</b>	Legal & General (UTM) Stakeholder (Nationwide)	Tracker Pension Fund	£42,400	£94	Yes
<b>UT MRGS Ltd</b>	With Profits Retirement Plan	With Profits Fund	£43,000	£74	No

## 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	Notice Period	Min. Balance
<b>Stroud &amp; Swindon Building Society</b>	Regular Saver Plus Account 2	4.50%	None	£10
<b>Buckinghamshire Building Society</b>	Chiltern Gold Builder	4.12%	None	£25
<b>Cheshire Building Society</b>	Monthly Saver	4.00%	None	£10
<b>Derbyshire</b>	Monthly Saver	4.00%	None	£10
<b>Norwich &amp; Peterborough Building Society</b>	Regular Saver	4.00%	None	£1
<b>Scottish Building Society</b>	Regular Bonus Saver	4.00%	None	£25
<b>Ipswich Building Society</b>	Smart Save	3.50%	None	£10
<b>Akbank N.V.</b>	AK 12 Month Deposit Account	3.25%	Term	£1
<b>Nottingham Building Society</b>	First Home Saver	3.25%	None	£10
<b>United National Bank</b>	One Year Fixed Rate Deposit Account	3.25%	Term	£2,500
<b>Secure Trust Bank</b>	120 Day Notice Issue 1	3.21%	120 Days	£1,000
<b>Akbank N.V.</b>	AK 12 Month Deposit Account	3.20%	Term	£1
<b>Kent Reliance Building Society</b>	Direct 1 Year Fixed Rate Bond Issue 10	3.20%	Term	£100
<b>ICICI Bank UK Plc</b>	HiSave 1 Year Fixed rate Account (No Access)	3.15%	Term	£1,000
<b>Julian Hodge Bank</b>	1 Year Capital Millennium Bond	3.15%	Term	£1,000
<b>Kent Reliance Building Society</b>	Direct 1 year Fixed rate Bond Issue 10 Monthly	3.15%	Term	£10,000
<b>Turkish Bank (UK) Ltd</b>	One Year Fixed Term Deposit Account	3.15%	Term	£5,000
<b>ICICI Bank UK Plc</b>	HiSave 1 Year Fixed Rate Account (No Access) Monthly	3.11%	Term	£1,000
<b>Julian Hodge Bank</b>	1 year Capital Millennium Bond	3.11%	Term	£1,000
<b>Beverley</b>	Monthly Saver	3.10%	None	£10

## 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	£1,502	£986
<b>Teachers</b>	Guaranteed Savings Plan	With Profit	£1,750	£1,060
<b>The Children's Mutual</b>	Friendly Bond – Taxable	With Profits Fund	£1,800	£1,190
<b>LV</b>	MAX (Initial Charge Version)	With Profits Fund	£1,810	£791
<b>Wesleyan</b>	Fixed Term Saving Plan	Wesleyan Life With Profit Fund	£1,833	£282
<b>MGM Advantage</b>	Flexible Savings Plan	Life Bonus Growth Fund	£2,070	£714
<b>MGM Advantage</b>	Flexible Savings Plan	Life Managed	£2,070	£714
<b>Scottish Friendly Assurance</b>	Prosperity Savings Plan	With Profits Fund	£2,120	£1,370
<b>Scottish Widows</b>	Regular Savings Plan (Adult)	Consensus	£2,180	£556
<b>Sheffield Mutual Friendly Society</b>	Regular Savings Plan	With Profit	£2,222	£918
<b>Red Rose Friendly Society</b>	Savings Endowment	Traditional Endowment With Profits	£2,240	£1,090
<b>Scottish Widows</b>	Regular Savings Plan (Adult)	Unitised With Profit	£2,720	£691

## 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>Fidelity International</b>	ISA £	MoneyBuilder UK Index Fund	£188	£35	Standard charges	Free	No
<b>HSBC Trust Company (UK) Ltd</b>	ISA £	FTSE 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>HSBC Trust Company (UK) Ltd</b>	ISA £	FTSE 100 Index Fund – R	£229	£43	Standard charges	Free	No
<b>F &amp; C</b>	Investment Funds ISA	FTSE All – Share Tracker	£296	£64	Standard charges	Free	No
<b>Liontrust</b>	ISA £	Top 100 Fund	£338	£82	Standard charges	Charged	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>Fidelity International</b>	ISA £	MoneyBuilder Growth ISA Fund	£434	£114	Standard charges	Free	No
<b>Gartmore Investment Mgmt Ltd</b>	Gartmore Investment ISA £	UK Index Fund – R	£471	£97	Standard charges	Free	No
<b>Aviva Investors</b>	Investment ISA £	Blue Chip Tracking Fund 1	£488	£115	Standard charges	Free	No
<b>Allianz Global Investors</b>	ISA £	UK Index Fund – A	£493	£118	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 Index Tracking Fund 1	£571	£117	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 Scottish Equitable</b>	Investment Control - Clean	Cash	830	147	250	250
<b>Zurich Assurance Ltd</b>	Investment Bond – Flexible	Sterling UK Fund	917	238	50	1,000
<b>Canada Life Ltd</b>	Select Investment Bond (Clean)	Canlife Defensive Managed	941	329	250	250
<b>Canada Life Ltd</b>	Flexible Investment Bond - Level Option (Clean)	Canlife Defensive Managed	1,120	387	250	250
<b>Canada Life Ltd</b>	Flexible Investment Bond - Deferred Option (Clean)	Canlife Defensive Managed	1,210	266	250	250
<b>Prudential</b>	Prudential Investment Plan (Nil Commission)	Prudential Managed Fund	1,210	247	50	500
<b>Police Mutual</b>	Guaranteed Investment Bond	With Profit	1,636	619	50	500
<b>Sheffield Mutual Friendly Society</b>	Income Bond	With Profit	1,657	779	5,000	10,000
<b>Sheffield Mutual Friendly Society</b>	Investment Bond	With Profit	1,723	762	0	1,000
<b>Alico Wealth Management</b>	Investment Bond	Alico Fidelity Moneybuilder Income Net	1,770	366	500	10,000
<b>Prudential</b>	Prudential Investment Plan (Nil Commission)	Prudential Optimum Return Fund	1,780	386	50	500
<b>Scottish Life (Royal London)</b>	Capital Investment Bond	Managed	1,800	847	50	250
<b>NFU Mutual</b>	Flexibond	With Profit	1,875	388	100	500
<b>AEGON Scottish Equitable</b>	Investment Control – Establishment Charge	Cash	1,930	843	250	250
<b>Prudential</b>	Flexible Inv Plan – Initial Charge Opt	Prudential Managed Fund	1,930	961	50	500
<b>Zurich Assurance Ltd</b>	Investment Bond – No Exit Penalty	Sterling UK Fund	1,930	754	50	1,000
<b>Friends Provident</b>	Friends Wealth Solutions Bond	Managed	1,950	1,080	40	3,000
<b>Scottish Widows</b>	Flexible Options Bond	Consensus	1,950	901	30	100
<b>Scottish Widows</b>	Flexible Options Bond	With Profits Growth Fund 2	1,950	900	30	100
<b>CIS – The Co-Operative Investments</b>	Platinum Bond Plus	With Profit	1,969	769	25	1

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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