



# A Guide to Insurance



**When you take out a mortgage it is a good time to review and update your insurance policies.**

**We offer a range of home and personal insurance options, with qualified Protection and General Insurance Consultants providing clear and practical advice.**

**We take great pride in finding the right insurance for your individual needs and circumstances, so you have the peace of mind that comes from knowing you are looking after what matters most to you.**

## **Protecting you**

**What would happen to your home and your family if illness or death prevented you from paying your mortgage?**

### **Life Insurance**

With life insurance you can take steps to protect and take care of your family if the worst did happen.

You pay a monthly premium and if you pass away during the length of the policy, your estate receives a lump sum for your heirs to use how they please.

This can help clear any large personal debts, e.g. your mortgage, to help your loved ones remain in the home without having to worry about making monthly mortgage repayments.

We can advise you on the amount of cover you need (called the cover amount) and the length of your policy (known as the policy term).

### **Terminal Illness**

Life insurance includes terminal illness cover as standard. That means you receive the full cover amount if you're diagnosed with a terminal illness during the

policy term and life expectancy is less than 12 months.

## Death in Service

Your employer might already provide some kind of life insurance cover in the form of death in service benefit, which pays out a lump sum should you die while employed by them.

Let us know details of your existing cover when you speak with us and we'll review it alongside your future protection needs.

## Critical Illness

A serious illness can have a devastating effect on your finances, and it can happen to any one of us at any time. You can minimise the financial impact on you and your loved ones by taking out critical illness insurance.

If you have to undergo surgery or have been diagnosed with a listed critical illness during the policy term, you could receive a tax-free lump sum that you could

use to cover your mortgage repayments or any other financial commitments.

With both life insurance and critical illness you can choose a single policy for one person or a joint policy for two people.

An option with critical illness is children's critical illness benefit, which pays out a tax-free lump sum if a policyholder's child is diagnosed with a listed critical illness.

## Types of Cover for Life Insurance and Critical Illness

Our Protection Consultant will help you identify the most suitable insurance for you and will then recommend the type of cover that best meets your needs.\*

### Level Cover

Level cover means that the total amount of cover you have taken out, known as the cover amount, will remain the same throughout the life of the policy.

\* Subject to status and lender criteria.

## Decreasing Cover

The amount of cover decreases each month throughout the life of the policy, broadly in line with your outstanding mortgage balance, so as your mortgage debt reduces, so does the cover amount.

## Guaranteed Premium

With a guaranteed premium, your monthly premiums will stay the same throughout the term of the policy.

## Reviewable Premium

A reviewable premium means your premiums are fixed for a set period of time, after which your insurance provider has the option to review and change your premiums.

## Income Protection

Whereas life insurance and critical illness policies usually pay out a lump sum, an income protection policy pays out a monthly tax-free income if you are unable to work

or suffer a loss of earnings due to accident or sickness. After an agreed waiting period known as a 'deferred period', you'll begin receiving monthly payments.

Income protection is a long-term policy that can enable you to continue making your mortgage and other monthly payments until you return to work, the policy expires or you die – whichever is earliest. The amount you receive will depend on the level of cover and the term you choose.

## Additional Policy Benefits

You can tailor your policy to suit your needs with a variety of extra benefits, listed below.

Our insurance providers may already include some of these features as standard in your policy, but others may be optional extras and available for an additional premium. Speak to our Protection Consultant about which benefits are most suitable.

- **Fracture Cover** – gives the reassurance of knowing you may receive a lump sum if you sustain one of a number of specified fractures in any 12-month period. An additional premium is payable.

- **Second Medical Opinion\*\*** – a second medical opinion could be lifesaving, with a review of both diagnosis and treatment.

- **Worldwide Medical Treatment** – in conjunction with expert second medical opinion, this can give you and your family access to worldwide medical experts and treatment. An additional premium is payable.

- **24-hour health line\*\*** – 24-hour access to a private health line service where you and your family can speak to a qualified nurse and get one-to-one support for any health-related query.

- **Counselling and Carer Support\*\*** – designed to offer short-term face-to-face or telephone-based counselling.

Our Protection Consultant can explain each benefit clearly and provide advice on what might suit your individual circumstances.

## Duty of Disclosure

When you take out any kind of protection it is your responsibility to provide complete and accurate information to both our Protection Consultant and the insurance provider. Any information you fail to disclose that might affect your policy could invalidate your cover and affect any claims you make.



# Protecting your home

**There are two main forms of home insurance: buildings insurance and contents insurance. You can take them out separately or save money by selecting a combined policy.**

## Buildings Insurance

Buildings insurance protects the physical structure of your home against damage caused by events such as storms, floods, subsidence, fire or explosion. You can make a claim to repair or rebuild part or all of your home.

It covers the fixtures and fittings too, so fitted kitchens and bathrooms are included.

Buildings insurance must be in place from the point you exchange contracts on a freehold property. If you're buying a property with a mortgage, it's your responsibility to have the cover in place.

Since house prices fluctuate and often rise, you are advised to insure your property for its rebuild cost rather than its current market value. This will protect you from inflation.

## Contents Insurance

Contents insurance covers your possessions and valuables against perils such as storms, floods, fire or theft.

When you arrange your cover with us, we will ask you to estimate the value of replacing the contents you would like covered in your policy if you were to purchase them again.

## Accidental Damage

Some buildings insurance policies have an element of accidental damage cover included as standard, but you may want to add additional cover for more protection.

To protect your contents and valuables from accidents, you will need to add accidental damage cover to your contents insurance.

# Making a Will

**When you are planning for the future responsibly, one of the most important things you can do to protect your family is prepare a Will.**

A Will gives you control of what happens to your assets after you die and enables you to nominate someone who will be in charge of carrying out your wishes.

Preparing a Will means:

- You can leave your estate to an unmarried partner
- You can bequeath specific amounts of money to individual people
- You can appoint guardians of your children
- You can appoint an executor of your Will to ensure your wishes are followed
- You can leave individual possessions to named

beneficiaries, e.g. items of sentimental value or family heirlooms

- You can pass the proceeds of a life assurance policy to a specific person
- You can leave a certain amount to individual charities

Ask one of our consultants how our Will-writing partner can guide you through the process and help you safeguard your home and your possessions and give your family peace of mind, whatever the future holds.



## What next?

Contact our Protection and General Insurance team by submitting an enquiry on our website or by calling us directly on the number below.

We will provide you with clear and practical advice on all your insurance options based on your individual circumstances.

## Contact us:



[www.dynamo.co.uk](http://www.dynamo.co.uk)



01276 601040



**Any fees payable will be explained in your initial no-obligation appointment, before you choose whether to use our Mortgage Services.**

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MS/DY/7555/07.24