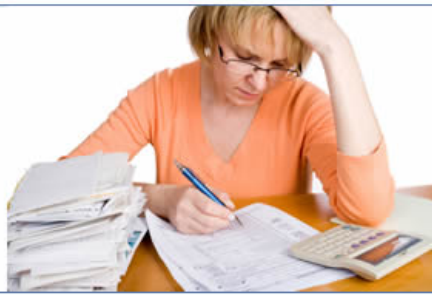


Is your Monthly Income Covered Should the Unexpected Happen?



Newsletter

April 2010

Cover Your Monthly Income

Have you considered how you would protect your monthly income should you be unable to work due to sickness, an accident or redundancy? There are many insurance options available that can help protect you and your monthly income against the unexpected. Income protection insurance (IP), mortgage payment protection (MPPI) and accident/sickness/unemployment cover (ASU) are essentially policies that aim to provide a monthly income to an individual who is unable to work due to sickness or an accident. An ASU or MPPI policy can also provide additional redundancy cover.

Considering how you would cover your mortgage and other monthly bills in the event of being unable to work is an essential part of financial planning. Many simply assume that they will be adequately provided for by the state or their employer if they weren't able to work. However with the average UK household spending £450 per week, Jobseekers allowance (currently £65.45 per week) and Statutory Sick Pay or Employment and Support Allowance are unlikely to cover this.

An income protection policy usually provides cover that relates to a percentage of your pre-illness earnings. The policy would pay out (upon successful claim), after a period of at least 30 days after onset of the illness. Usually an income protection policy would be set up to provide you with cover until your selected retirement age. This means that the policy could provide you with a long term income until you retire or are fit to return to work. An ASU policy and an MPPI policy would only pay out for a maximum of one or two years, in the event of accident/sickness or unemployment. Generally an MPPI policy provides cover equal to your mortgage payments plus an additional percentage for associated costs and an ASU policy usually relates to your pre incapacity/redundancy earnings.



Don't forget it's not just the main earner that makes a contribution to a household. For example if a parent stayed at home to look after the children, in the event of severe illness they may be unable to contribute and therefore additional childcare costs may also be required.

There are many ways in which you can use a combination of the above policies to adequately meet your needs, and there are a number of options to consider. As a very general rule you should have policies that will cover all your essential expenditure in the event of accident/sickness and unemployment. These should pay out as quickly and for as long as possible. These policies should also take into consideration any benefits you may receive from your employer.

As you can see from the above there are many considerations with regard to covering your income in the event of sickness, accident and unemployment. Thankfully we are able to provide a full advice service and guide you through all the various options associated with these products, such as selecting the most suitable products to meet your needs, and choosing the correct level of cover. We can work with you to provide a solution to meet your needs as closely as possible and still remain in budget. You may already have policies in place that you think adequately cover you so why not review these with us to ensure they still meet your needs?

Speak to us Today to find out more.

Don't Forget, it's not just the main earner that makes a contribution to a household.

For further details or to arrange an interview please contact:

Mark Deane
01908 867577 / 07774 958001

markd@the-mortgagestore.co.uk
<http://www.the-mortgagestore.co.uk/>