



# Protection and Health Insurance

	<b>Payment Protection Insurance (PPI)</b>	<b>Income Protection Insurance (IP)</b>	<b>Critical Illness Insurance (CI)</b>	<b>Private Medical Insurance (PMI)</b>	<b>Life Insurance</b>
<b>Payment Protection</b>	Payment Protection Insurance helps you repay your borrowing, for example mortgages, loans and credit cards, if you become unable to work because of an accident, illness, or unexpected job loss. Some policies also offer life cover and critical illness cover.	Income Protection insurance pays you a monthly income if you become unable to work because of illness or accidental injury for a prolonged period.	Critical Illness insurance typically pays out a lump sum if you either die or are diagnosed with a critical illness that meets the insurance company’s policy definition.	Private Medical Insurance pays for treatment for curable, short-term illness or injury (commonly known as acute conditions). Your cover is renewed annually.	Life Insurance pays a lump sum to provide financial support to your partner or family if you die.
<b>When and how much does it pay out?</b>	<p>You will receive benefits for a fixed period of time, often 12 months. There will usually be a waiting period before it starts to pay out.</p> <p>On mortgages and loans your monthly repayment is usually covered.</p> <p>On credit cards the minimum monthly payment is always covered, but some pay more.</p>	<p>The income starts after you have been unable to work because of an illness or injury for an agreed period – typically 3 or 6 months but other periods are available.</p> <p>The income continues to be paid until you are fit to return to work, or the policy ends.</p> <p>You can choose the amount of benefit you would get if you claim – typically up to half your gross earnings. The larger the amount you choose, the higher your premium will be.</p>	<p>The cover lasts for the period you choose, for example, for the period remaining on your mortgage or until your children reach a certain age.</p> <p>Each insurer only pays out for the critical illnesses defined in their policy and no others.</p> <p>Some policies also have the option of paying out a smaller amount if your children get a critical illness covered by the policy.</p> <p>You can choose the amount paid out – the larger the amount, the higher your premium will be.</p>	<p>Medical treatment has to start with a referral by your GP to an appropriate specialist.</p> <p>Payment will be made to the health care provider, or to yourself if you have already paid (provided the treatment was pre-authorized), when the invoice is submitted to the insurer.</p> <p>Payment will be made up to the benefit limits of the policy you choose and within the policy rules. Any excess you have chosen will apply to your claims.</p>	<p>The cover lasts for the period you choose, for example, the period remaining on your mortgage or until your children reach a certain age.</p> <p>Whole of Life Assurance has no set period and lasts for as long as you need it. This might be more expensive as the cover can last for longer.</p> <p>Some life insurance policies pay out if you are diagnosed with a terminal illness that will lead to death within a year.</p> <p>You can choose the amount paid out – the larger the amount, the higher your premium will be.</p>



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<b>What do you need to know?</b>	<p>Payment Protection Insurance does not usually cover pre-existing medical conditions and may not cover every type of illness.</p> <p>You will not be asked for specific details about your about your health so you need to consider whether the policy offers the cover you want.</p> <p>You cannot make a claim if you resign, accept voluntary redundancy or lose your job due to your misconduct.</p> <p>Payment Protection Insurance is optional and you will not be refused credit just because you decide not to buy it.</p> <p>If you borrow the money to pay the premium, you may be charged interest on it.</p>	<p>You need to answer all the medical questions in the application carefully, accurately and to the best of your knowledge and belief, or your policy may not pay out.</p> <p>There will be a limit to the amount of income you can claim – typically around half your previous gross earnings. So, if your gross earnings go down, you need to check that you are not paying for more cover than you can claim for.</p> <p>The premium you pay and the level of cover will depend on your occupation and lifestyle – ask your adviser or insurance company about this for more information. If there are changes to your occupation, you should contact your insurer.</p>	<p>You need to answer all the medical questions in the application carefully, accurately and to the best of your knowledge and belief, or your policy may not pay out.</p> <p>All insurers use standard definitions for the 23 critical illnesses most commonly covered. Most Critical Illness policies cover all these conditions and sometimes others as well.</p>	<p>You need to answer all the medical questions in the application carefully, accurately and to the best of your knowledge and belief, or your policy may not pay out.</p> <p>Private Medical Insurance does not usually cover pre-existing medical conditions and will not cover every type of illness and injury, for example, conditions that cannot be cured and self-inflicted injuries.</p> <p>If you do not pay premiums, your cover will stop. Your insurer will only pay the medical bills you incur, up to the last date covered by your premiums. Make sure you understand the effect on your cover if you change insurer.</p>	<p>You need to answer all the medical questions in the application carefully, accurately and to the best of your knowledge and belief, or your policy may not pay out.</p> <p>If your estate could be liable to inheritance tax, you can use a trust to stop the life insurance payout adding to your inheritance tax bill – ask your adviser or insurance company about this for more information.</p>

## REMEMBER:

- Always read the policy summary or Key Facts document for details of the benefits and significant exclusions of the policy on offer.
- Shop around for the policy that best meets your circumstances.
- Always answer the insurer’s questions to the best of your knowledge and belief. If you do not, the insurer may refuse to pay your claim.