



ASCENTIA
MORTGAGE SOLUTIONS

Life Insurance

Life insurance is important as it can provide a tax free cash lump sum in the event of your death, or if you are diagnosed as being terminally ill. It may be worth checking if you have death in service benefits through your employer, as you may need to factor in this policy when looking at your overall protection requirements.

Many people use their death in service benefits as additional family protection above and beyond what they need to cover their mortgage. It is important to remember that if you change employment you may not be offered the same level of benefit by your new employers.

Types of Life Insurance:

Term Life Insurance is life (death) cover for a pre-agreed period of time. It only pays out if you die during the policy - there is no lump sum pay-out at the end of the policy term. You can take cover out on a decreasing basis to match your mortgage amount (mortgage protection) or you can take out a set sum (level cover) which would stay the same (regardless of the mortgage balance) and so could potentially provide a surplus. This is often used to cover an interest only mortgage and can also be used for family protection.

Most policies have some things they don't cover (referred to as exclusions) – for example, if you have a serious health problem when you take out the policy, your insurance may exclude any cause of death relating to that illness.

If you have dependants, a life insurance policy can provide for them if you die. The price you pay for a life insurance policy does vary and depends on various factors such as the amount of cover you wish to take out, the length of the policy, your age, your health, your lifestyle etc.

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