

Mortgage Protector

Mortgage Payment Protection Insurance



Everything you need to know

 **paymentshield**
we've got it covered

MortgageProtector

THE product for tough times

In difficult times, you need protection you can rely on to keep your home secure. MortgageProtector is PaymentsShield's Mortgage Payment Protection Insurance (MPPI) product, offering you the protection you need if you are made redundant, have an accident or become ill.

Contents

Why Mortgage Payment Protection Insurance is so important	1
How MortgageProtector can protect you	3
How the policy works	5
We can cover you	6
More cover for your money	7
How to arrange cover	8
Making a claim	9

Mortgage Payment Protection Insurance (MPPI) is more important than ever

Your mortgage is probably the largest, most important financial commitment you'll ever make. Accident, sickness and unemployment all have the potential to make that commitment difficult to meet, which is why the Council of Mortgage Lenders encourage all mortgage borrowers to consider whether they have the correct level of protection.¹

With a high level of uncertainty surrounding the UK economy, there are a number of factors that could put a strain on your income:

- ⚠ Between September and November 2007, 134,000 people reported being made redundant.²
- ⚠ It is estimated that unemployment will rise by around 150,000 to 1.8 million or 5.8% of the workforce in 2008.³
- ⚠ Increases in house prices in the last five years have resulted in larger mortgage commitments.
- ⚠ Repossessions are predicted to increase by 50% to 45,000 during 2008 – levels not seen since the mid-1990s.⁴

You can't always rely on state benefits

Many people believe they may be entitled to receive some financial help with their mortgage repayments through the state benefit system. However, there are a number of restrictions. For example:

- ⚠ If your partner works for more than 16 hours a week, or you and/or your partner have more than £8,000 in savings, you will not receive any help with your repayments.
- ⚠ If you are taking out a new mortgage or re-mortgage, you are unlikely to receive any assistance with your mortgage repayments until after 39 weeks.

1 www.cml.org.uk/cml/consumers/guides/MPPI

2 www.statistics.gov.uk/downloads/theme_labour/LFSHQ5/Table07.xls

3 Chartered Institute of Personnel & Development, reported on BBC, December 2007.

4 www.cml.org.uk/cml/media/press/1374

⚠ The payment of state benefit only applies to mortgage interest to a maximum of £100,000. It does not cover your capital repayments, or any other related costs such as the premiums you pay on a life insurance policy or savings plan linked to your mortgage.

⚠ Benefit paid at UK base rate which may be lower than the rate your lender charges.

The above points are based on our understanding of the current state benefit system. For specific information about your entitlement to claim state benefit, you should contact your local Benefits Agency.

Don't leave yourself vulnerable

Without Mortgage Payment Protection Insurance, these are some of the potential scenarios you could find yourself facing, should you be unable to work:

- you may need to ask friends and family for help
- personal relationships could become strained
- reliance on credit cards could cause spiralling debt
- your mortgage payment record could suffer if payments aren't met
- your home could be repossessed.

With all this in mind, is it really worth putting your mortgage repayments at risk? To do something about it now and for the best advice, speak to your intermediary.

*Subject to the maximum monthly benefit limits.

[†]A new borrower is a person who has had a mortgage/remortgage for less than 30 days. Existing borrower is a person who has had a mortgage/remortgage for more than 30 days and will have an initial exclusion period following the policy start date for the first 90 days where they cannot claim for unemployment.

How MortgageProtector can protect you

MortgageProtector can help you protect your mortgage repayments for up to 12 or 24 months if you become unemployed or suffer an accident or sickness (this is known as a disability). You can also cover the cost of any Life or Buildings & Contents insurance linked to your home and take out 33% additional cover to protect other household costs*.

Deferred Premium Payment Period

MortgageProtector has a range of Deferred Premium Payment Period options available to you to suit your individual needs, whether you are a new or existing borrower[†]:

- first three months deferred – where you pay nine months' premiums in year one
- first six months deferred – where you pay six months' premiums in year one (only available for new borrowers).

Or, if the Deferred Premium Payment Period options don't meet your needs, you can choose to pay 12 months' premiums in year one for the cheapest monthly premium[†].

Types of cover include:

- accident or sickness and unemployment (including Carer Cover)
- accident or sickness cover
- unemployment (including Carer Cover).

How much it costs

Cover starts from as little as £3.01 per month. The premium you pay will depend on:

- the amount of monthly cover you need
- the type of cover you select
- whether you choose 'excess' or 'back to day one' cover.

MortgageProtector's features include:

Feature	Benefit
Pay in addition to sick pay received	Complements your work benefits giving you extra security later if you're unable to work for a long period.
Carer Cover	If you're recognised as a carer for an immediate family member and have to stop work to look after them, you are entitled to claim benefit, which means you can support them knowing your mortgage repayments will be paid.
Flexible policy options	Different qualification periods for accident, sickness or unemployment give you the right cover for your individual needs.
Wider choice of qualification periods	Gives you the confidence you can choose cover to meet your needs.
Cover an additional 33% of your monthly mortgage and related insurance costs	Helps you pay for other monthly household expenses, such as council tax, utility bills etc.

More benefits of MortgageProtector

- ✓ Choice of single cover available (in one name only) or split cover (in joint names) if two people want to be covered for part of the benefit.
- ✓ Single cover available, even if you are a joint borrower.
- ✓ Improved claims service uses individual case managers.
- ✓ Available to Government Shared Home Ownership and Homebuy Schemes customers.
- ✓ New terms and conditions, which are simple and easy to understand.

And here's what you get FREE:

- ✓ FREE legal expenses cover for employment and bodily injury disputes.
- ✓ FREE 24-hour health and medical, counselling and legal helplines.
- ✓ FREE Back to Work assistance for unemployment cover.

Important note – the maximum total monthly cover limit including the 33% additional cover is £3,000 or an amount equal to 75% of your normal income, whichever is the lower. To ensure that the insurance we provide under this policy meets your Demands and Needs, you should always read the Policy Summary carefully and speak to your intermediary before taking out the cover.

There are certain circumstances when you will not be able to make a claim (**these are known as exclusions**). Details of exclusions are provided in the Policy Summary and Policy Document (a copy is available on request from your intermediary). Your claim will be handled by Paymentshield.

How does the policy work?

- You choose the amount of monthly cover you need to protect your mortgage payment and related insurance premiums (you can increase this cover by taking out 33% additional cover).
- You choose the type of cover you want.
- You choose single cover or split cover.
- You choose 'back to day one' or 'excess' cover.
- You pay a monthly premium to keep the policy in force.
- We pay out a fixed monthly benefit for up to 12 or 24 months if you become unemployed or suffer an accident or sickness (this is known as disability) and you are unable to work for longer than the claim qualification period you have selected.

We can cover you

To be eligible for this policy, you need to:

- be 18 or over and under 64
- be in paid work of at least 16 hours a week
- live in the United Kingdom
- be paying or about to pay a mortgage agreement
- be named on the mortgage agreement
- be up to date with your monthly repayments, if you have an existing mortgage agreement.

If you are self-employed or work on a fixed-term contract, you should read the policy to make sure it is suitable for your needs. You should pay particular attention to the 'Employment Circumstances', 'Unemployment Cover' and 'Your claim – things to keep in mind when claiming' sections.

You are not eligible for cover if:

- you're not personally named on the mortgage
- your work is casual, temporary or seasonal (including any work for a temporary employment agency)
- you're in any kind of work where unemployment is a regular or re-occurring feature of your particular job

MortgageProtector – more cover for your money

Health, Employment & Legal Protector (HELP) cover

This cover helps you by providing legal advice and representation if you have a legal dispute in relation to employment or bodily injury disputes.

What HELP covers you for:

Your HELP insurance provides legal expenses cover up to £50,000 for the negotiation or defence of your legal rights in respect of:

- employment disputes
- bodily injury disputes.

It also provides free and confidential, 24-hour helpline services for Legal Advice, Health and Medical information and counselling.

What HELP doesn't cover you for:

HELP does not cover claims resulting from or relating to:

- disciplinary hearings or internal grievance procedures
- any illness or bodily injury which happens gradually or is not caused by a specific or sudden accident
- clinical negligence
- claims reported more than six months after you should have known about the incident.

Back to Work service

If you have selected our unemployment cover you are entitled to our FREE Back to Work service. One of our specialist Back to Work colleagues will contact you to discuss your individual circumstances. This service is free, confidential and designed to provide advice and assistance to help you make a speedy return to work.

Our Back to Work service provides:

- self-help guide
- access to a specialist website
- telephone advice providing access to a specialist employment counsellor
- confidential advice and ongoing support throughout your search on:
 - seeking work, career changes, state benefits
 - managing your time effectively while searching for employment
 - tips on preparing your CV
 - help with preparing for interviews.

How to arrange cover

Your intermediary will provide you with a copy of the Policy Summary, together with a premium quotation for the cover you require.

Premiums are collected monthly by direct debit from your bank or building society account. Your first premium becomes due in the month immediately following the policy start date or when your deferred premium payment period has ended (if applicable).

Making a claim

When can I make a claim?

You will normally be able to make a claim under the policy if:

- you have lost your job due to circumstances beyond your control and you are registered as unemployed,
- or
- you're unable to work due to an accident or sickness (this is known as disability) and under the regular care and attention of a doctor or consultant.

Full details of the terms and conditions are in the Policy Document.

How do I make a claim?

Just call the Paymentsshield claims team on 0845 6011 060 between 9.00am and 5.15pm, Monday to Friday.

The 'Your Claim' section of the policy booklet can give you further information on making a claim.

Important note – there are certain circumstances when you will not be able to make a claim (**these are known as exclusions**). Details of exclusions are provided in the Policy Summary and Policy Document (a copy is available on request from your intermediary). The insurance for Mortgage Payment Protection Insurance is underwritten by Aviva Insurance Limited Trading as Norwich Union (a member of the Aviva group) Aviva Insurance Limited. Registered in Scotland No: 2116 Registered Office: Pitheavlis, Perth, PH2 0NH. Authorised and regulated by the Financial Services Authority.

The insurance for Health, Employment & Legal Protector (HELP) cover is provided by DAS Legal Expenses Insurance Company Limited. Authorised and regulated by the Financial Services Authority (FSA) under registration number 202106.

Paymentsshield acts as the policy administrator.

Contact details

Paymentshield Customer Services

If you have any questions about the cover we provide under these policies, please contact our Customer Services Team:

Phone: 0845 6011 050

Email: enquiries@paymentshield.co.uk

Address: PO Box 229, Southport PR9 9WU

Intermediary details

Reference:



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