

Income & Mortgage Payment Protection Insurance

A guide to help
hook in your
clients



FOR INTERMEDIARY USE ONLY

 **paymentsshield**
we've got it covered

Here are our 3 steps to help you clinch the sale along with some facts and figures to help highlight the need for this kind of protection.

STEP 1 Grab your customer's attention

Insurance to protect their mortgage payment or monthly income isn't something that your clients may actively seek, often because they don't understand how valuable it can be and may even think they can't afford it.

This means that you need to actively 'sell' these products and their benefits:

- 🐟 Ask your customer how long they could afford to keep up with their mortgage and other outgoings if they suddenly lost their income?
- 🐟 Ask if they have any savings or existing protection to cover them if they were unable to work for more than a month or two.
- 🐟 Ask if they could they afford to cover their essentials on state benefits alone which could amount to just £67.50 a week.³
- 🐟 Ask if they're prepared to risk losing all the things they've worked so hard to pay for by not having adequate protection against the risk of accident, sickness or redundancy?

¹Creditation.org.uk 'Debt Statistics' April 2010

²Figure from YouGov Plc. Total sample size was 1030 adults. Fieldwork was undertaken between 28th-30th January 2011. The survey was carried out online. The figures have been weighted and are representative of all UK adults (aged 18+).

³Based on a person aged over 25, www.direct.gov.uk 'Money, Tax & Benefits', May 2011

1 in 4 people are relying on the lottery to improve their financial situation.¹

Ask your client if they really want to gamble their home and lifestyle?

Less than half of people responding to a YouGov survey said they'd be able to cope financially for more than **3 months** on savings alone!²

STEP 2

Create a desire for protection

🐟 Ask your client if they would rather fall into debt and potentially lose their home or take out adequate insurance to protect themselves if they:

- are made redundant
- have an accident which stops them from working
- have an illness which prevents them from working
- stop work to become a carer for a member of their immediate family (included in unemployment cover)

🐟 Ask your client how would they like insurance which not only takes care of their key outgoings but also offers a range of additional benefits including:

Back to Work support

If your client selects unemployment cover on their IncomeShield or MortgageProtector policy they will be entitled to **FREE** Back to Work support which provides: a self-help guide and access to a specialist website, telephone advice providing access to a specialist employment counsellor and confidential advice with ongoing support throughout their job search.

HELP cover

Health Employment and Legal Protector (HELP) cover is underwritten by DAS Legal Expenses Insurance Company Limited and provided as standard with IncomeShield and MortgageProtector policies. HELP cover provides legal advice and representation up to £50,000 for the negotiation or defence of your client's legal rights in respect of employment or bodily injury disputes and is included as standard with MortgageProtector and IncomeShield.


¹Figure from YouGov Plc. Total sample size was 1030 adults. Fieldwork was undertaken between 28th-30th January 2011. The survey was carried out online.



12% of people have mobile insurance compared to just **4%** who have Income Insurance.¹
Which is more important, their phone or their way of life?

**STEP
3**

Tailor the cover to meet your client's needs and budget

 Ask how much they want to protect each month?

Premiums will depend on:

- Type of cover selected i.e. ASU, AS, U
- How long they must be off work before they will receive benefit (Qualifying Period)
- The maximum length of time they will receive monthly benefit (Benefit Period)
- How much they need to insure (Benefit Insured)
- When they want to make their first payment (Deferred Premium Payment Period)
- Your client's age (for IncomeShield)

If budget is an issue, help your client find out how much they can afford each month and tailor their cover to fit their budget. Remind them it is better to have some protection than none at all!

So, if you need to reduce the monthly cost to make it affordable for the client, you can:

- ✓ Select a longer qualification period if your customer has savings they are able to rely on initially and tailor the accident & sickness qualification period to match the length of time your customer receives sick pay, or
- ✓ Reduce the amount your customer insures so at least they have some protection.

Note: It is your responsibility to ensure the suitability of cover for your client.

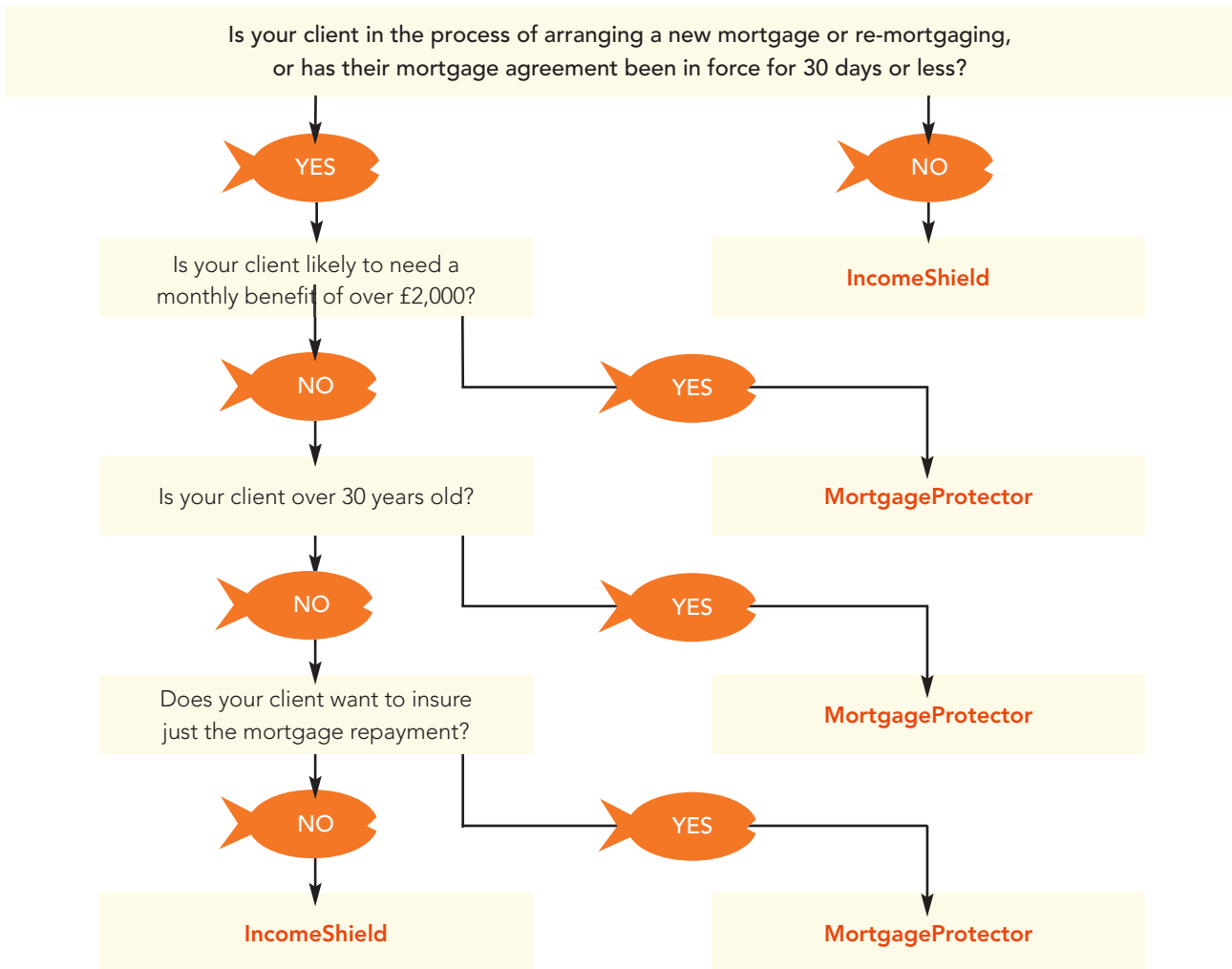
²Pricing claim based on the IncomeShield premium cost for a customer taking out full ASU 30 day LTD1 cover, aged 36 - 40 years at £5.94 per £100, with an average benefit cost of £41.58 per month (inclusive of a £2.00 policy admin charge and Insurance Premium Tax) compared to the cost of a 'tall' cappuccino from Starbucks priced at £2.10 as of July 2011.

Use our
online calculator at
[www.paymentshield.co.uk/
incomeinsurance](http://www.paymentshield.co.uk/incomeinsurance)
to show your client how
much cover they
may need

27% of people
think they can't afford income
insurance and yet our average
cover costs just £1.39 a day.²

**Less than the price of
a coffee on the way to
work!**

If you're unsure which of our creditor insurance products might be most suitable for your client the diagram below may help.



Note: It is your responsibility to ensure the suitability of cover for your client.

Mortgage Payment Protection

Paymentshield's MortgageProtector (MPPI) product is designed for customers about to take out a mortgage, or who have taken out a new mortgage or re-mortgage within the last 30 days. MortgageProtector enables clients to protect their mortgage payment and any mortgage related insurance products (such as buildings & contents insurance) and they can also opt to take out an additional 33% of their mortgage and insurance amount to cover any additional bills. For clients looking for standalone cover, our sister company Towergate Home and Protect offer a choice of MPPI products which can be taken out at any time.

	Paymentshield MortgageProtector	Towergate Home & Protect Mortgage Payment Protection Insurance	
Insurers	Aviva Insurance Limited	Great Lakes Reinsurance (UK) plc & First Assist Insurance Services Limited	Alpha Insurance
Maximum Monthly Benefit*	Up to £3,000 (max 75% of monthly earned income)	Up to £2,000 (or £2,500 with MPPI Extra)	Up to £2,000 (max 60% of gross monthly income)
Choice of Waiting/ Excess Periods	30 days back to day one 60 days back to day one 30 days 60 days 180 days	30 days back to day one 30 days excess 60 days excess	30 day back to day one 30 days excess 60 days excess
Premiums Age Sensitive	No	Yes	Yes
Maximum No. of Months Benefit	12 or 24 months (AS only)	12	12
Initial Exclusion Period	N/A	60 days or 120 days if the policy is arranged after completion of the mortgage	90 days
Eligibility Requirements	<p>Ask your client to confirm they:</p> <ul style="list-style-type: none"> • Are aged 18 years or over but under 64 • Are in paid work of at least 16 hours per week, every week • Live in the UK • Are paying or are about to pay a mortgage agreement • Are named on the mortgage agreement and/or your immediate family reside at the property for which your mortgage is held, and • Are up to date with your monthly repayments, if you have an existing mortgage agreement • Are not aware of a need to claim 	<p>Your client must:</p> <ul style="list-style-type: none"> • Have a mortgage that is not in arrears • Be aged 18 or over and under 65 • Be living and working permanently in the United Kingdom • Be in employment 	<p>Your client must:</p> <ul style="list-style-type: none"> • Be aged between 18 and 64 • Be living and working permanently in the United Kingdom • Be in employment • Occupation is not:- Accountant, Actuaries, Aircraft crew/pilots, Bank Managers, Investment Bankers, Merchant Bankers, Company Directors, Currency Traders, Professional Sports Persons, Surveyors, Lawyers/Solicitors, Sales/Marketing Executives, Stockbrokers & IT Consultants
Deferred Payment Period	3 or 6 months	3 months	3 months

*Please note: Gross monthly income is the client's average monthly salary before tax including any commission and for bonus payments received (if you are in full-time employment) or the monthly average

Income Insurance

Paymentshield's IncomeShield product offers flexible standalone protection to cover any outgoings and can be sold at anytime. Perfect to offer to your existing clients who don't currently have any mortgage payment protection or income insurance. Our sister company also offers a choice of Income Insurance products should you wish to offer your clients a range of insurers.

	IncomeShield Income Protection	Towergate Home & Protect Income Protection	
Insurers	Pinnacle Insurance plc	Great Lakes Reinsurance (UK) plc & First Assist Insurance Services Limited	Alpha Insurance
Maximum Monthly Benefit	Up to £2,000 (max 65% of gross monthly income)	Up to £1,000 (max 50% of gross monthly income)	Up to £1,000 (max 60% of gross monthly income)
Choice of Waiting/ Excess Periods	30 days back to day one 30 days 60 days 90 days 180 days	30 days back to day one 30 days 60 days	30 days back to day one 30 days 60 days
Premiums Age Sensitive	Yes	Yes	Yes
Maximum No. of Months Benefit	12 or 24 months (AS only)	12	12
Initial Exclusion Period	120 days	120 days	90 days
Main Eligibility Requirements	Your client must: <ul style="list-style-type: none"> • Be aged between 18 and 64 • Be living and working in the United Kingdom • Have been in employment for at least 6 months • Have not been registered as unemployed in the last 12 months 	Your client must: <ul style="list-style-type: none"> • Be aged 18 or over and under 65 • Be living and working permanently in the United Kingdom • Be in employment 	Your client must: <ul style="list-style-type: none"> • Be aged between 18 and 64 • Be living and working permanently in the United Kingdom • Be in Employment • Occupation is not:- Accountant, Actuaries, Aircraft crew/pilots, Bank Managers, Investment Bankers, Merchant Bankers, Company Directors, Currency Traders, Professional Sports Persons, Surveyors, Lawyers/Solicitors, Sales/Marketing Executives, Stockbrokers & IT Consultants
Deferred Payment Period	2 months	3 months	3 months

of your income as declared on your self assessment return for the previous tax year as confirmed by HMRC (if you are self employed).



Help and advice from Paymentsshield and Towergate Home & Protect

For further support and guidance selling Paymentsshield creditor insurance the Paymentsshield sales team will be happy to help you with any business planning, sales training or product and service enquiries.

Call **08450 615 700**

Email ist@paymentsshield.co.uk

We also provide a range of sales tools to help you make the most of your client relationships.

For example, our online marketing toolkit provides guidance, letter templates, tools and tips to help you create successful cross selling campaigns.

Visit www.paymentsshield.co.uk/brokertoolkit

Or for information on Towergate Home & Protect products and services

Call **0844 892 1520**

Web www.towergatehomeandprotect.co.uk

