

PROTECTING YOUR HOME, HEALTH, LIFESTYLE AND LOVED ONES

GLOSSARY OF TERMS USED

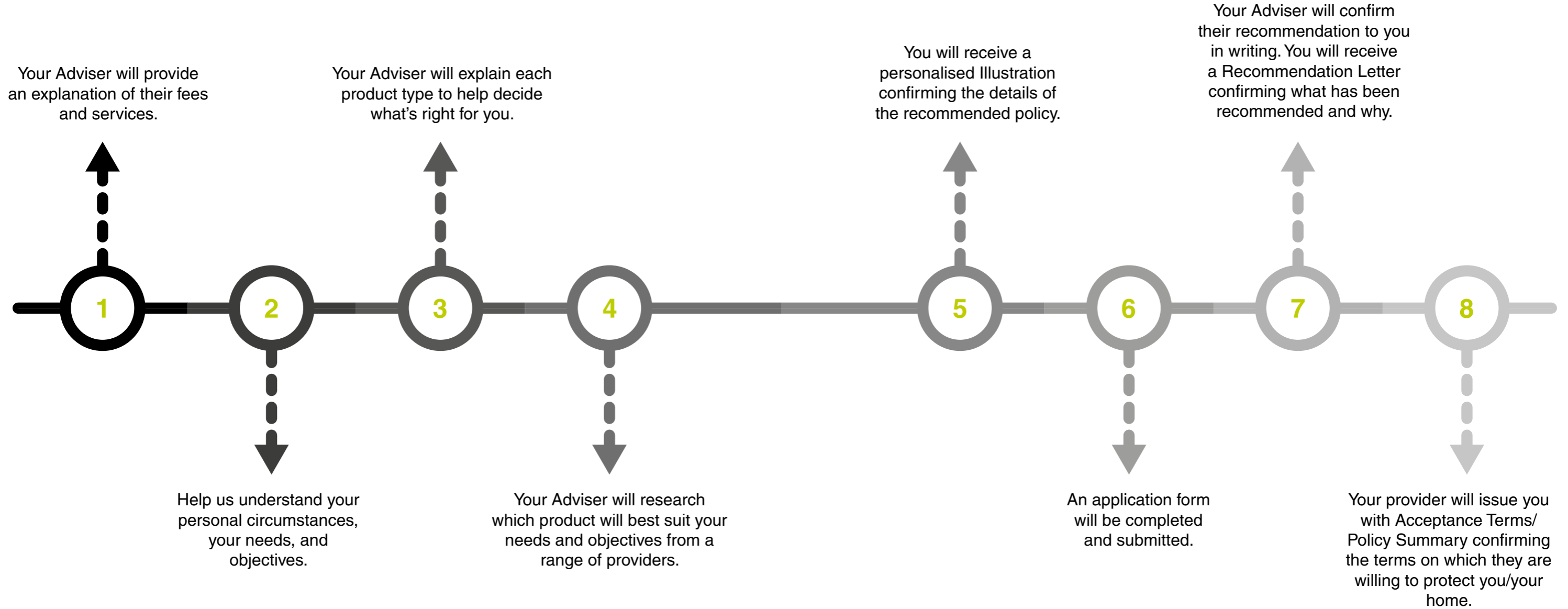


WHEN YOU PURCHASE INSURANCE PRODUCTS, YOU ARE BUYING PEACE OF MIND.

You are protecting yourself and your family from the potentially devastating financial losses that could result if something happened to you. Insurance provides financial security which could help to pay off debts, meet your everyday living expenses, cover your income, or help to pay for your funeral expenses, so your family don't have to worry at an already difficult time. It is also important that you protect your home and all of the items inside your home that you have worked hard to build.

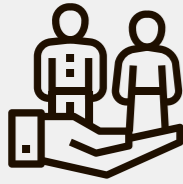
Buying insurance may mean you hear lots of terms used that you are not familiar with. This document will help you understand the recommendations that are made to you, turning the jargon into simple, easy to understand explanations.

YOUR PROTECTION ADVICE JOURNEY



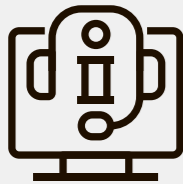
DOCUMENTS YOU MIGHT EXPECT TO RECEIVE;

Throughout the protection/insurance journey, your Adviser will present you with a number of documents you might expect to receive when protecting yourself, income, family or home;



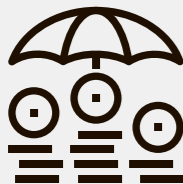
OUR FEES AND SERVICES

Sometimes referred to as the **Disclosure Document** – This confirms the services your Adviser will provide, the commission they will receive, what regulatory protections you have, and if you're not happy, how to complain. It will also refer to where you can find out how your data will be used.



FACT FIND

Your Adviser will need to ask you some questions about your personal and financial circumstances. Both factual and aspirational information will be gathered so we have a comprehensive view of your circumstances in order to recommend the most suitable product to meet your needs and objectives. The answers to these questions will be recorded in what is known as a 'Fact Find'.



PROTECTION ILLUSTRATION

(NOT RECEIVED FOR GENERAL INSURANCE)

A protection illustration is the document that you receive from your provider explaining all the essential points regarding your policy. It will tell you;

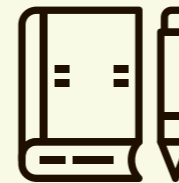
- What benefits you are entitled to
- The duration of the policy
- What premiums you must pay

More details of how the policy works will be detailed in the providers own Key Features document.



KEY FEATURES DOCUMENT

This is the document produced by the protection provider. It sets out the key benefits, limitations and exclusions of a plan or product. It is really important you read and understand this document. Your Adviser will explain it to you and will be happy to answer any questions to help you understand the policy fully.



APPLICATION / STATEMENT OF FACT

You may not receive a copy of the Application but can request one if you wish to see it. This will contain the important information your Adviser will give to the provider to help them decide if they can protect your or your home, and the terms on which the insurance is offered. It is important that all of the information you disclose is accurate.



RECOMMENDATION LETTER

You will receive a Recommendation Letter which will tell you all the important features of your policy and why they've been recommended in line with your requirements.



ACCEPTANCE TERMS / POLICY DOCUMENTS

When the provider has agreed your terms, they will issue you with documentation confirming the features of your policy and any specific exclusions or limitations that have been applied. It will also confirm the cost of your policy.

During the process your Adviser will ask you some questions about your personal and financial circumstances. They will also ask your thoughts around what you feel is right for you. It is important the information asked and provided is accurate and honest. This will enable your Adviser to use their knowledge to recommend the most suitable product / solution to meet your needs.

When talking to you about protection, your Adviser will discuss different products that may be suitable to meet your needs. There might be language and terms used that you are not familiar with, your Adviser will help to break these down, but this glossary should also help explain any terms and 'jargon' so you fully understand what's been recommended and how this meets your needs.

PRODUCT TYPES

HOME INSURANCE

Home insurance provides financial protection in the event of something happening to your property and/or belongings.

BUILDINGS INSURANCE

Buildings insurance will cover the cost repairing or rebuilding your property if the worst happens to your home.

CONTENTS INSURANCE

Contents insurance covers the cost of replacing or repairing your possessions if they are damaged, destroyed or stolen.

LIFE INSURANCE

A type of insurance that pays out a cash lump sum if you die within a specified term. This type of policy is typically used as mortgage protection which will pay an amount to help clear your mortgage balance if you die. You can also put life insurance in place to help your family remain financially secure in the event of your death.

CRITICAL / SERIOUS ILLNESS INSURANCE

Critical / serious illness cover supports you financially if you're diagnosed with one of the conditions specified by the provider within a specified term. You can use the proceeds to help pay for any treatment you may need, clear any outstanding mortgage, or fund changes to your home, such as wheelchair access, should you need it.

WHOLE OF LIFE INSURANCE

This type of plan will pay out a lump sum to your family when you die, whenever that might be. There is no specific term and it will cover the whole of your life, provided you've continued to pay your premiums. This type of plan is typically used to meet the cost of your funeral so that loved ones do not need to worry about this at an already difficult time.

OVER 50'S PLAN

Like with a whole of life policy, an over 50's plan has no specified end date. You pay a fixed monthly premium and the policy guarantees to pay out a cash lump sum to your family when you die. As the name suggests, you must be over the age of 50 to set up this type of plan. Your Adviser will be able to explain the difference between an over 50's plan and a whole of life policy and explain which one best suits your needs.

INCOME PROTECTION

Protection can replace part of your income if you're unable to work for a long time because of illness or disability. It will pay out until you return to work or the policy ends, whichever happens first. Income Protection plans usually have a waiting period before the benefit becomes payable, and the longer the waiting period you choose, the lower the monthly premium.

FAMILY INCOME BENEFIT (FIB)

This type of plan works similarly to Life Insurance however rather than pay out one lump sum, a Family Income Benefit Plan will pay a monthly income to your beneficiaries for a specified period. This could be useful where you and your family rent a property and would like to ensure that your family continues to have the ability to meet rental commitments.

Private Medical Insurance (PMI) PMI pays some or all your medical bills if you're treated privately for an acute medical condition. It gives you a choice in the level of care you get, and how and when it's provided. There are various levels of cover which will be explained by your adviser in more detail.

ACCIDENT PLAN

A type of insurance that pays out a lump sum if you suffer one or more accidental injuries as specified by the policy.



JARGON BUSTER

Helping you get to grips with the terms that may come up throughout your mortgage process with our comprehensive A-Z jargon buster.



PROTECTION POLICIES (EXCLUDING PMI AND GENERAL INSURANCE)

ADDITIONAL BENEFITS (ADD-ONS)

When taking out insurance, the provider often offers you the opportunity to add additional benefits to your plan in line with your individual needs and preferences. Sometimes these benefits come at an additional cost. Your Adviser will be able to talk you through the availability of any add-on benefits, confirm the cost of these benefits and whether they are appropriate to meet your needs based on the information they have collected about you and your personal and financial circumstances.

ASSURANCE

This is quite simply another word for insurance.

BENEFICIARY

A beneficiary is the person/s you would like to benefit from the proceeds of your policy.

DEATH IN SERVICE BENEFIT

This is a benefit offered by an employer which pays a multiple of your salary to your named beneficiaries if you die while employed by the company. Not all employers will offer this benefit and the percentage of salary paid varies from employer to employer. You would need to check the details directly with your employer to be sure of what benefit they provide, if any.

DECREASING TERM ASSURANCE

Decreasing term assurance is a type of life insurance. It pays out a lump sum should you die within a specified term. The benefit paid decreases by a fixed percentage throughout the period for which the plan is in force. Typically used to protect a capital and repayment mortgage where the loan amount will also reduce throughout its term.

DEFERRED PERIOD

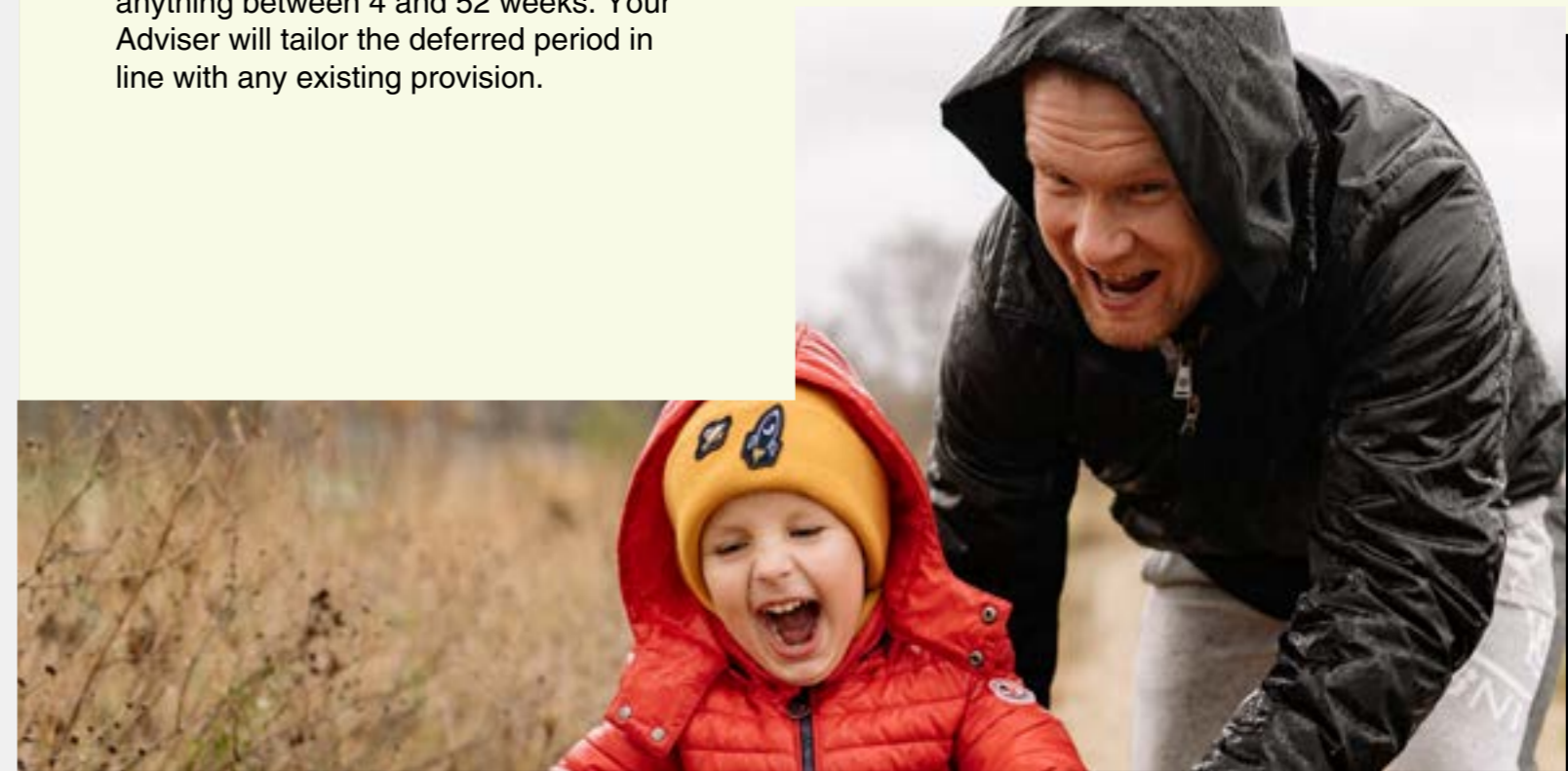
Usually applies to an income protection policy. It refers to the length of time you need to be off work before you can make a claim. A typical deferred period might be anything between 4 and 52 weeks. Your Adviser will tailor the deferred period in line with any existing provision.

EXCLUSIONS

Exclusions are circumstances that are not covered by your policy, which generally means you will not be able to make a claim for these events. For example, most life insurance policies will not cover you for death as a result of taking your own life, alcohol or drug abuse or dying during an act of war. Based on the medical history of you or your family, providers may apply specific exclusions. These will be confirmed within your acceptance terms.

GUARANTEED PREMIUMS

Where premiums are guaranteed, they will remain the same for the term of your plan.



GENERAL PRACTITIONER REPORT (GP)

The provider may sometimes request a report to build a picture of your general health, to assess the level of risk you pose. They may request information including details of any pre-existing health conditions you may have (ie. diabetes, cancer or crohn's disease), or any medication you are taking.

INCREASING TERM ASSURANCE / INDEX LINKED

Increasing term assurance is a type of life insurance. It pays out a lump sum should you die within a specified term. The benefit paid increases throughout the period for which the plan is in force, usually to take account of rises in the cost of living. It is also likely that the premium you need to pay each month will increase.

INSURABLE INTEREST

There must be an insurable interest for an insurance policy to exist. An insurable interest is the interest that a person has in what is being insured, which means that the person would suffer a financial loss should that property or individual be harmed.

JOINT LIFE INSURANCE

Joint life insurance covers two individuals under a single policy. This means that the policy pays out a death benefit when one of the two insured individuals passes away.

ON RISK

This is the date your policy will start.

PREMIUM

A premium is the monthly payment you make to your provider each month. Failing to pay premiums can lead to the cancellation of your policy.

RATED

An insurer may deem you a higher risk based on your health, lifestyle, or the nature of your occupation. In these circumstances, it is likely they will ask you to pay a higher premium. This is known as a rated policy.

RENEWABLE PREMIUMS

Renewable premiums are reviewed at regular intervals by the provider and will increase in line with your age.

RENEWABLE TERM

A renewable term allows you to extend the term of your policy without having to reapply. This will often mean the premium may go up every year or every few years in line with your age.

SUM INSURED

The sum insured is the amount that will be paid out in the event of a qualifying claim.

TERM

The term is the length of time your policy is in place for.

WAIVER OF PREMIUM

Waiver of premium can cover your monthly premiums if you can't work due to illness or injury. It can be added to your policy at a small additional cost.

UNDERWRITING

Underwriting is the process to determine whether an application should be accepted, special terms applied or declined.

TRUSTS

By placing your policy in trust you are ensuring that the right money is in the right hands at the right time.

WILLS

Your Will tells everyone what should happen to your money, possessions, and property after you die. It is recommended that you make one and keep it updated on a regular basis.



PRIVATE MEDICAL INSURANCE (PMI)

Private Medical Insurance is designed to cover the cost of treatment for various medical conditions as follows:

ACUTE MEDICAL CONDITIONS

An acute condition is an illness or injury that is likely to respond quickly to treatment, returning you to the state of health you were in before, or which leads to your full recovery.

CHRONIC MEDICAL CONDITIONS

A chronic condition is a disease, illness, or injury that needs long-term monitoring, control, or relief of symptoms. It may continue indefinitely or have no known cure.

CONTINUED PERSONAL MEDICAL EXCLUSIONS (CPME)

This is a type of underwriting that allows you to move to a new insurer without losing the terms you had with your previous insurer.

DAY-PATIENT

If you're a day-patient, then you will usually need a bed in hospital for one day ie. for a minor operation but will be discharged the same day.

FULL MEDICAL UNDERWRITING

This is a type of underwriting that requires you to disclose your medical history to your insurer at the point of application.

IN-PATIENT

If you're an in-patient, you will need an overnight stay in a hospital bed for one night or more.

MEDICAL HISTORY DISREGARDED

This is a type of underwriting that means the insurer won't take into account any pre-existing conditions.

MORATORIUM UNDERWRITING

This is a type of underwriting that doesn't require you to disclose your full medical history. Instead, all pre-existing conditions from the past five years are excluded for a period set out by the provider. This is confirmed in your Key Features Document.

NHS CASH BENEFIT

If you are treated under the NHS for a condition that is covered under your policy instead of claiming, you will receive a cash payment from the insurer. The amount of money is dependent on the number of days or nights you spend in hospital. Each insurer has its own terms and conditions which are confirmed in the Key Features Document.

OUTPATIENT

If you're an out-patient, this means you need to go into hospital for a procedure/ treatments but you don't stay in overnight or occupy a bed for the day.

PRE-EXISTING CONDITION

This is an illness or injury you had before your policy began.



HOME INSURANCE

ACCIDENTAL DAMAGE

Quite simply, this is unexpected/unintended damage. For example, you might spill some paint on a carpet.

Accidental damage can be added to both buildings and contents at an additional cost.

ALTERNATIVE ACCOMMODATION

If your home is damaged and you need to stay elsewhere while it is being repaired i.e. due to fire damage, this feature will pay for the cost of alternative accommodation.

BUILDINGS INSURANCE

Buildings insurance covers the cost of rebuilding your home if it's damaged or destroyed. When you buy your home with a mortgage, the lender will usually insist that buildings insurance is taken as a condition of your mortgage.

CANCELLATION FEES

If you cancel a policy after the cooling-off / cancellation period, the insurer may charge an additional fee to end the contract.

CONTENTS

Contents are the household items that you keep inside your home. These include things like furniture, furnishings, clothing, unfixed electrical goods, and appliances.

CONTENTS INSURANCE

Contents insurance protects against the potential damage and loss to the types of items mentioned above. This can also cover items such as gardening tools kept in outbuildings, sheds, garages or greenhouses.

COOLING OFF PERIOD

The cooling off period is the time in which you can cancel your policy without an additional charge, as long as you have not made a claim. Typically this is 14 days but may differ between insurers. This will be confirmed in the Key Features Document.

ESCAPE OF WATER

This is damage caused by water escaping in your building i.e. from a burst pipe.

EXCESS

This is the amount you will have to pay towards each separate claim.

EXCLUSIONS

Exclusions are something not covered by your insurance policy such as wear and tear. Your policy documents will confirm what you're covered for.

HEAVE

This is when the ground beneath your home moves upward, causing potential structural damage to your property.

HIGH VALUE ITEMS

These are valuable possessions such as jewellery, stamp collections, mobile phones and tablets.

High-value items can be taken or worn outside for your home and may need to be noted specifically on your policy to ensure they are covered.

HOME EMERGENCY COVER

A type of insurance that covers the cost of calling out a tradesman for emergency repairs due to a sudden incident, such as your boiler breaking down or your pipes bursting. This is usually an optional cover that can be added to your insurance policy.

LANDSLIP

Where the ground below your home moves downwards. This can cause considerable damage to the property.

LEGAL COVER

Legal cover helps cover the costs of your legal fees if you needed to go to court in relation to your property i.e. disputes about shared driveways.

MID-TERM ADJUSTMENT

This is where you can amend your policy before the end date of the policy. For example, you may have purchased a high value item that you would like covered under your insurance.

NO CLAIMS DISCOUNT

Gives you a discount on your home insurance policy as a reward for not claiming on your insurance for more than a 12 month period.

NON-STANDARD CONSTRUCTION

Non-standard construction means your home is built from non-typical materials i.e those that aren't made from stone or brick, and which don't have slate or tile roofs.

PERSONAL POSSESSIONS

These are every-day items such as mobile phone, glasses, cameras, watches etc.

REBUILD COSTS

This is how much it would cost to fully rebuild your home from scratch.

RENEWAL

Home insurance policies run for 12 months. An insurance renewal occurs at the end of the policy term where you'll need to decide if you'd like to continue under the same policy with the same provider or switch.

SUBSIDENCE

Subsidence is when the ground beneath a building sinks, pulling the property's foundations down with it. This can cause severe structural damage.

VOLUNTARY EXCESS

This is the amount you will have to pay towards each separate claim chosen by you, in addition to any standard excess set by the provider. You may find that the more voluntary excess you pay the cheaper the overall cost of your premium.

