

Title:

Are You Suffering From Payment Protection Overload?

Word Count:

737

Summary:

Critical illness insurance:

Critical illness insurance will cover you in the event of a serious illness such as cancer, coronary artery by-pass surgery, heart attack, kidney failure, major organ transplant, multiple sclerosis and stroke. Additional conditions covered by this insurance can include aorta graft surgery, benign brain tumour, blindness, coma, deafness, heart valve replacement or repair, loss of limbs, loss of speech, motor neurone disease, paralysis/paraplegia,...

Keywords:

UK insurance, critical illness insurance, life insurance, mortgage life insurance, mortgage

Article Body:

Critical illness insurance:

Critical illness insurance will cover you in the event of a serious illness such as cancer, coronary artery by-pass surgery, heart attack, kidney failure, major organ transplant, multiple sclerosis and stroke. Additional conditions covered by this insurance can include aorta graft surgery, benign brain tumour, blindness, coma, deafness, heart valve replacement or repair, loss of limbs, loss of speech, motor neurone disease, paralysis/paraplegia, Parkinson's disease, terminal illness and third degree burns. Not all insurance companies will necessarily cover all of these illnesses, whilst some insurance companies will cover more; it is always worth reading the terms and conditions before you sign anything.

Critical illness insurance policies typically offer a tax-free lump sum if you are diagnosed with one of the above illnesses and meet the conditions outlined in the policy contract. The lump sum is most often used to cover the remainder of the mortgage, although can be spent on home alterations or medical care etc.

Life insurance:

Life insurance is usually taken out if your family or partner is financially dependent on your income. Life insurance can also be purchased as life assurance and in this form, can offer a method of protection cover and savings. However, most people simply use it as a form of financial protection for their mortgage and therefore their family. There are three main types of life insurance: term insurance, whole life insurance and endowment insurance. More information can be found on these forms of life insurance on the Association of British Insurers' website, listed in the resources section of this article.

Mortgage life insurance:

Mortgage life insurance is essentially the same as a decreasing (lump-sum) term life insurance policy and is designed to pay out a lump sum upon the death of the policy holder, should it occur during the term of the mortgage. The size of the lump sum will decrease over the term of the life insurance policy, in the line with the outstanding mortgage repayments. E.g. As you pay off your mortgage, the amount of cover will decrease as the need is less significant.

Mortgage protection:

Mortgage protection, also called mortgage payment protection, is a type of insurance that can help protect mortgage payments and associated household costs in the event of unemployment, illness or an accident. Through mortgage payment protection, you can insure your monthly mortgage payment, monthly life premiums and the monthly cost of your buildings and content insurance. Typical mortgage protection cover could include:

* Unemployment and disability insurance cover

* Accident or sickness

* Unemployment only insurance cover

* Disability only insurance cover

Loan payment protection:

Loan payment protection policies are designed to protect the repayments to any loans you may have taken out. They work on a similar basis to mortgage payment protection, but for a wider scope of borrowing. Premiums for loan payment may be greater than those for mortgage protection.

Income protection:

In the event of unemployment, sickness or an accident, income protection

insurance offers a limited income. Do make sure you understand the terms of the policy however, as the income that you received through cover may be significantly less than the income you receive through employment.

Private medical insurance:

Private medical insurance is a policy which will provide financial cover for medical treatment in the event of an acute condition. According to the Association of British Insurers, the majority of insurers define an acute condition as "a disease, illness or injury that is likely to respond quickly to treatment which aims to return you to the state of health you were in, immediately before suffering the disease, illness or injury, or which leads to your full recovery."

Private medical insurance provides reassurance for people who know that treatment is available promptly should they become ill or injured.

Resources:

http://www.abi.org.uk/

The Association of British Insurers

<a href="http://www.moneynet.co.uk/insurance/index.shtml"

target="_blank">http://www.moneynet.co.uk/insurance/index.shtml Consumer Insurance Comparison Research

http://www.moneynet.co.uk/home-car-travel-insurance-guide/index.shtml Insurance Guide