



ENNESS



# THE PERSONAL INSURANCE GUIDE

Your guide to securing the best type of insurance to  
protect you and your family

“It’s not a nice thought – but considering suitable insurance when taking on a financial commitment is paramount, so you can ensure your family is protected should anything happen to you.”

—Antonio Michael, Head of Enness Private Office

# Introduction

An alarming 50% of people who have taken on debts – mortgage or otherwise – have no protection in place at all, leaving them completely exposed should anything unforeseen or fatal occur. Life insurance is something people don’t like thinking about and hope they will never need, so they tend to brush it under the carpet, rather than prioritise buying it once they have taken on a loan. In fact, research has shown that people in the UK are much more likely to insure their beloved pets than themselves!

Being uninsured can leave you at great risk if your children, partner or relatives depend on your income to cover any financial commitments or expenses. So, although we hope you’d never need it, having personal protection in place will secure your family’s financial future should anything unexpected occur.

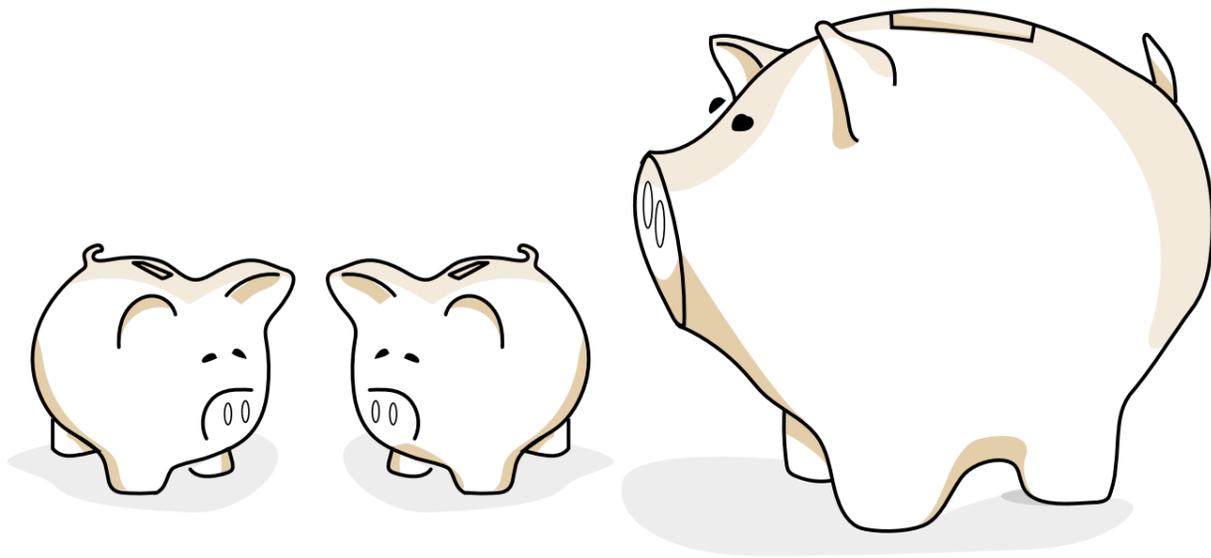
We can help you find the best policy, at the best price, to reassure you that your family will be protected, no matter what the future holds – and we guarantee no loaded premiums or hidden fees.



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## Life Insurance – Overview



Whether you're a stay at home parent, or you and your partner are both employed, the financial impact of your death could leave your family unable to cover mortgage payments or day-to-day expenses, putting them at risk of losing their home and livelihoods. Life insurance is designed to pay out a chosen lump sum upon the death of an insured person to protect them and prevent this from happening.

Many clients take out life insurance at the same time as their mortgage and set it up for the same term, as it is usually paid in monthly premiums until you cancel them. However, there are different types of insurance to consider, depending on your financial situation:

**Level Term Assurance** – if your death falls within the term of the policy, the total sum assured will be paid out to your family.

**Decreasing Term Assurance** – the level of cover will gradually decrease over the term of the policy.

**Family Income Benefit** – a specified monthly income is paid to your family in the event of your death, within the term of the policy.

**Life Insurance in Trust** – a trust structure can be hugely beneficial from a tax planning point of view (read on to learn more about this).

## Household Insurance

When buying a property, most people tend to focus on getting the best mortgage terms and how much their tax bill and monthly payments will be. Yet, ensuring the home itself is adequately protected often slips through the net and there are a number of things which should be considered.

### BUILDINGS AND CONTENTS

The majority of mortgage lenders will insist you have buildings insurance in place before issuing a loan. As a result, buyers often rush through this stage, simply opting for the first policy they find so they can secure the mortgage in a hurry. However, settling for cheap insurance can often be a false economy as it may not pay out when you need it most – something which is only discovered once the worst has happened.

Buildings insurance covers the structure of the building itself, including any fittings or outbuildings, while contents insurance protects your furniture and personal items. A good policy should protect you against loss, theft, fire, storm, flood damage and even water leakage or burst pipes.

However, issues do arise when clients grossly underestimate the value of their possessions, leading to underinsurance – and sometimes they forget to cover them at all!

### PERSONAL POSSESSIONS

Personal possessions insurance covers items including clothes, jewellery, laptops, bicycles, watches and sports equipment. Depending on the policy, this can cover against theft, loss or damage – whether stolen from your home or outside it whilst on your possession.



## Critical Illness Cover

In the event that you fall critically ill with a condition such as cancer, or you have a heart attack or a stroke, critical illness cover will release a tax-free lump sum as soon as you are diagnosed. At such a stressful time, the last thing you want to be worrying about is paying bills or meeting your mortgage payments, so critical illness cover is designed to ease that pressure by providing financial support.

Although standalone critical illness cover will pay out a lump sum if you become seriously unwell, many clients choose to take it out alongside life insurance. This means your policy will pay out upon diagnosis but you will also still have life cover, so your dependents would be looked after if you were to die unexpectedly.

Equally, combined life insurance and critical illness cover can prove a more affordable alternative to having two separate policies as this option usually provides one pay-out, causing the other policy to end if claimed.

Critical illness cover is also available as part of a mortgage protection policy, allowing enough life insurance and critical illness cover to protect your mortgage. If you have a repayment mortgage, you can choose insurance which decreases alongside the debt, allowing the mortgage to be paid off in full if you die or are diagnosed with a life-threatening condition.



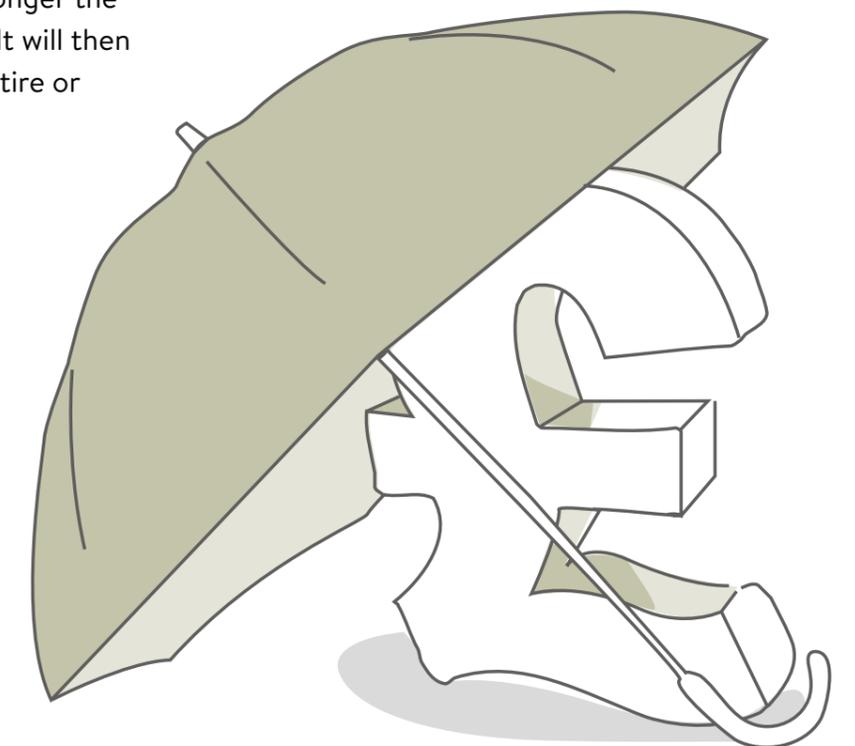
## Income Protection

In the event of an accident, unemployment or illness, income protection will pay out a proportion of your monthly income until you are able to return to work. This will generally be paid out in instalments like a salary so you still receive a substantial income to replace any loss of earnings due to illness, accidental injury or redundancy.

One of the principal worries for people suffering any of the above circumstances is being unable to pay for their mortgage or meet financial commitments. Income protection pays out a regular tax-free replacement income, enabling you to sustain your mortgage payments and any other expenses.

Policies usually pay out a set amount of income after a specific period of time, which can be elected as anything between one or 12 months (essentially, the longer the deferral – the cheaper the policy). It will then pay out until you return to work, retire or the policy expires.

Although mortgage protection insurance is often the first policy considered when buying a home, income protection can sometimes prove more beneficial, as being unable to work due to sickness and injury is more common than family having to claim in the event of death.

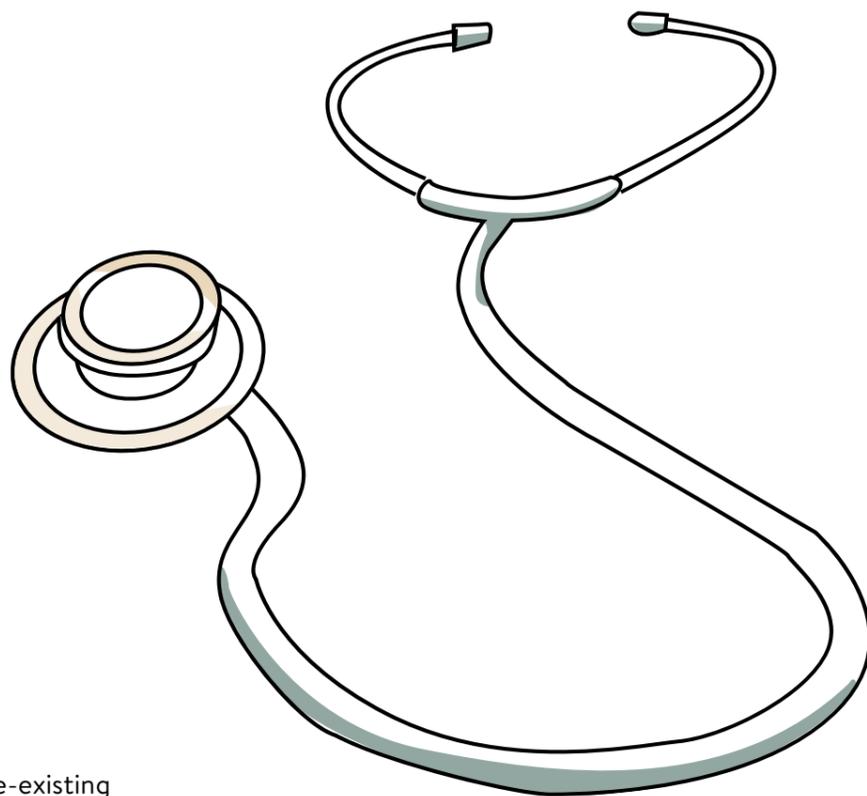


# Private Medical Insurance (PMI)

If that wasn't enough to take in, Private Medical Insurance (PMI) is another option to consider. This type of cover provides access to private diagnosis or treatment should you fall ill, which can also be used for planned, rather than only emergency treatments.

The main benefit of PMI is to avoid the very high waiting times currently experienced by NHS patients, as it usually provides faster access to medicine and treatment.

Private medical cover will cover many of your medical bills and generally pick up the cost of in-patient treatments, such as tests and surgery. However, some policies will also extend to out-patient treatments, including consultant appointments.



**Note:** PMI will not usually cover pre-existing medical conditions, chronic illnesses, transplants, pregnancy or cosmetic surgery.

## CASE STUDY

### Life Cover after a health scare for couple in their 30s

—Antonio Michael, Head of Enness Private Office



#### THE SCENARIO:

A client who had previously arranged a mortgage through Enness got in touch with me last month. He and his wife were both in their early 30s, and at the time of arranging their mortgage she had taken out life cover. He, however, had not, and was in the middle of a fairly serious health scare.

Alarmed by a persistent cough and slight chest pains, he had been to see his GP who decided to send him to the hospital for tests. He wanted to talk through his options with me in case the GP's suspicions were justified, and he was suffering from a heart condition.

Of course, no insurer would consider him while any medical investigation was ongoing. While we were waiting for a definite prognosis from his doctor, I looked into the types of cover available to him based on a number of different scenarios.

Thankfully, he was given the all-clear; but understandably, after having such a scare, he was keen to get comprehensive life and critical illness cover. His wife wanted the same.

My task was to consider which insurer would be the best fit for them, given their situation, as getting life cover after a health scare isn't necessarily straight forward.

#### OUR SOLUTION:

By discussing the case details in depth with a number of insurers and underwriters in the market, armed with a letter from the consultant giving him a clean bill of health, I was able to secure an offer of standard terms straight away for the client. The insurers didn't even ask him to undergo a medical.

Within one week of being given the all-clear, the policy was live and both of them had life and critical illness cover in place, which we arranged to have placed into trust to ensure tax efficiency. Best of all, and thanks to having access to the entire market and my knowledge of the various insurers' underwriting criteria, my client avoided the stress of undergoing invasive medicals. Both he and his wife were delighted with the speed and the outcome, and are spending far less time sweating in hospital waiting rooms.

## CASE STUDY

## Life cover review to protect mortgage

—Antonio Michael, Head of Enness Private Office



### THE SCENARIO:

I was recently approached by a client who wanted to review and simplify the life cover he had in place.

Ironically enough, my client in this instance worked in the investments division of a large insurance company. Over the years, he had accumulated around 10 different policies for him and his wife, with varying degrees of cover. None of them were held in trust.

He and his wife were both in their early 40s, and were in good health. They had just bought a property that was to become their main residence, and had a mortgage liability of just under £1 million.

Before moving in, they wanted to ensure their asset was protected, and my client decided the time had come to review the protection he

had in place. At this point, he came to us and engaged our advice and structuring services.

Adequate life insurance is especially important if you have taken on debts. Often, people are so focused on the terms of their mortgage and monthly payments they forget to think further ahead. If anyone relies on your income to cover any kind of expense, life insurance is a must.

In this case, on closer inspection the policies my client had in place did not actually provide sufficient cover for him or his family.

### OUR SOLUTION:

My first job was to simplify his rather convoluted cover. I distilled the 10 policies he had into just four policies. As well as being a much more efficient solution, this came at no extra cost to my client. The cover was also much more tailored to his individual circumstances; despite his many policies and personal experience, this was the first time he had an insurance package that met his requirements.

I also placed the policies in a trust. As well as being more efficient from an inheritance tax perspective, this structure ensures his family would receive the funds in a timely fashion were the worst to happen.



## Conclusion

Insurance may seem like a daunting and expensive commitment on top of your mortgage, but we can assure you this doesn't have to be the case. We are committed to finding the best policies for you.

If you have any questions on the information detailed herein, or if you simply wish to discuss your circumstances further, we can provide a thorough and personal consultation to outline the opportunities available to you. We will only charge you should you choose to instruct us to take action.

We are at your continued disposal to help you moving forward, to ensure your family and finances are protected

[Speak to a broker](#)



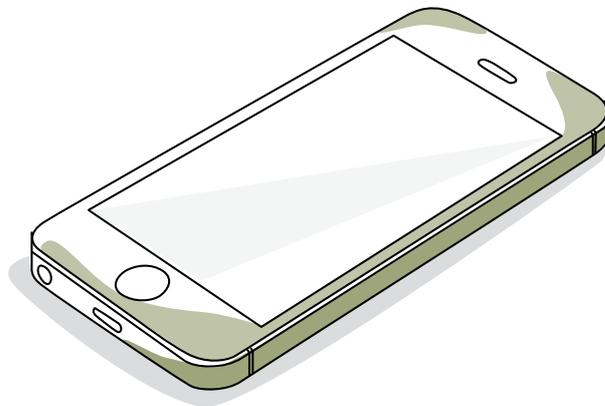
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## Are you looking for a personal insurance?

Call Enness today and an expert broker will talk you through your options. We will guarantee accessibility to the best rates.

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