

## Life insurance

Providing a financial safety net for your loved ones

Getting the right life insurance policy means working out how much money you need to protect your dependants. This sum must take into account their living costs, as well as any outstanding debts, such as a mortgage. It may be the case that not everyone needs life insurance (also known as 'life cover' and 'death cover'). But if your spouse and children, partner, or other relatives depend on your income to cover the mortgage or other living expenses, then the answer is 'yes'.

Life insurance makes sure they're taken care of financially if you die. So whether you're looking to provide a financial safety net for your loved ones, moving house or a first-time buyer looking to arrange your mortgage life insurance – or simply wanting to add some cover to what you've already got – you'll want to make sure you choose the right type of cover. That's why obtaining the right advice and knowing which products to choose – including the most suitable sum assured, premium, terms and payment provisions – is essential.

### KEY EVENTS HAPPEN THROUGHOUT YOUR LIFE

The appropriate level of life insurance will enable your dependants to cope financially in the event of your premature death. When you take out life insurance, you set the amount you want the policy to pay out should you die – this is called the 'sum assured'. Even if you consider that currently you have sufficient life assurance, you'll probably need more later on if your circumstances change. If you don't update your policy as key events happen throughout your life, you may risk being seriously under-insured.

### NEEDS OF YOUR FAMILY AND DEPENDANTS

As you reach different stages in your life, the need for protection will inevitably change. How

much life insurance you need really depends on your circumstances, for example, whether you've got a mortgage, single or have children. Before you compare life insurance, it's worth bearing in mind that the amount of cover you need will vary much depend on your own personal circumstances, such as the needs of your family and dependants.

There is no one-size-fits-all solution, and the amount of cover – as well as how long it lasts for – will vary from person to person.

### These are some events when you should consider reviewing your life insurance requirements:

- Buying your first home with a partner
- Covering loans
- Getting married or entering into a registered civil partnership
- Starting a family
- Becoming a stay-at-home parent
- Having more children
- Moving to a bigger property
- Salary increases
- Changing your job

- Reaching retirement
- Relying on someone else to support you
- Personal guarantee for business loans

### INDIVIDUAL LIFESTYLE FACTORS DETERMINE THE COST

The price you pay for a life insurance policy depends on a number of things. These include the amount of money you want to cover and the length of the policy, but also your age, your health, your lifestyle and whether you smoke.

### REPLACING AT LEAST SOME OF YOUR INCOME

If you have a spouse, partner or children, you should have sufficient protection to pay off your mortgage and any other liabilities. After that, you may need life insurance to replace at least some of your income. How much money a family

