

# How to protect your home in uncertain times

A Guide to Mortgage Payment Protection Insurance



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Fills the gaps other insurance leaves behind

We all like to think we've got it covered if the unexpected happens. Then we get a nasty surprise when we find out – usually too late - we hadn't thought about **the gaps** in our safety net.

Recent newsworthy events have proven without doubt that the old adage '*it can't happen to me*' has never been so wrong.

What would happen if you lost your job, become seriously ill or had an accident that prevented you from earning a living? How would you pay the mortgage? With difficulty is the most probable answer!

**Mortgage Payment Protection Insurance (MPPI)** could help ease the burden of making mortgage payments.

This simple guide sets out to explain why MPPI might be the answer for you.

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# Why you may need Mortgage Payment Protection Insurance

Some people believe they don't need Mortgage Payment Protection Insurance. Maybe they're right.

But how would you pay your mortgage if you lost your job, fell seriously ill or had an accident? What redundancy pay would you receive? And if you're self-employed, how would you pay the mortgage if you were unable to work?

The Government offers homeowners very little financial help.

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## Here are the harsh facts

- NO Assistance** with your mortgage for the first 3 months of unemployment
  - NO Assistance** towards the portion of your mortgage that exceeds £200,000
  - NO Assistance** towards the capital element of your mortgage repayments
  - NO Assistance** at all if your 'means tested' savings exceed £16,000
  - NO Assistance** at all if your partner works for more than 24 hours a week
- AND** Typical state disability benefit for a single person is often less than £65 per week. Source: [www.direct.gov.uk](http://www.direct.gov.uk). September 2008
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## The 'it can't happen to me' fallacy

Most people think the unexpected always happens to someone else.

However, you'd be surprised to know the unexpected is happening to lots of ordinary people each and every day.

It is predicted  
**75,000** houses could  
be repossessed in the UK  
in 2009.

Source: Council of Mortgage Lenders 2009

**2,831** people are made  
redundant every day.

Source: Credit Action March 2009

Someone has a heart  
attack every 6 minutes  
in the UK. That's around  
**87,000**  
people a year.

Source: British Heart Foundation February 2009

## Q. What is Mortgage Payment Protection Insurance (MPPI)?

Quite simply, MPPI pays you a monthly benefit (a sum of money) to cover the cost of your mortgage repayments.

The benefit is normally paid for up to twelve months if you are unable to work because you are ill, have an accident or if you are made redundant.

## Q. What types of MPPI are there?

There are a number of different MPPI products you can choose from. Variations usually relate to the time you would wait before policy benefits are paid to you - known as the 'wait' period.

Your choice of 'wait' period will also have a bearing on the monthly premium you pay. The longer the 'wait' period, the less expensive the premium. The shorter the 'wait' period, the more expensive the premium.

All policies will have a 'wait' period during which you must be continuously ill or unemployed before any benefit is paid. For most policies, this is 30 days.

### The most popular MPPI products are:

Type of product	When benefits will be paid
Back to day 1	Benefits received from day 31 of your illness or redundancy, but backdated to day 1 of your claim
30 day wait period	From day 31 of your illness or redundancy
60 day wait period	From day 61 of your illness or redundancy
90 day wait period	From day 91 of your illness or redundancy
180 day wait period	From day 181 of your illness or redundancy

For unemployment cover there is usually an initial exclusion period at the start of the policy before you can claim, during which you must be continuously employed.

For example, new mortgage borrowers may not be able to claim for 90 days after the start of their MPPI policy, and existing borrowers 120 days.

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### Q. What other factors should you consider?

It is important to consider exactly what type of cover you need. Take a look below at some of the factors to consider before you decide the most suitable product to suit your needs.

**You** should carefully consider how long you can afford to wait before you need benefits to start.

**What** contractual sickness benefit would you receive from your employer and how long would the benefit be paid for?

**If** you have a pre-existing medical condition, it may not be covered by an MPPI policy.

**If** you have savings, how long would they last if you lost your main source of income, and is paying your mortgage from savings something you're prepared to do?

**What** is your mortgage lender's policy on repayment arrears and how flexible would they be if you were made unemployed?

**How** easy would it be for you to find alternative employment at an acceptable salary?

**Are** your skills in demand? How long would it take to find the right job for you?

### Q. When are MPPI benefits payable?

After the relevant wait period, the benefits will become payable and you will start to receive monthly payments - if your claim is accepted.

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### Q. Does MPPI affect my claims on any other benefits?

No. You will continue to receive state benefits such as Statutory Sick Pay.

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### Q. Does MPPI provide all of my household protection requirements?

No. However it's important to view MPPI as an invaluable **part** of your personal protection portfolio.

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## How much does MPPI cost?

### It may not be as much as you think!

The 'credit crunch' and wider global financial uncertainty have received wide coverage in the press. As a consequence, you may well be thinking about cutting back on certain items to reduce your total household monthly spend.

Saving some money makes sense, particularly if it puts you in a more positive frame of mind.

But, at the same time, even greater peace of mind would come knowing that your highest monthly outgoing – your mortgage – is protected.

Between 30 and 40% of all household monthly costs are for repayments on mortgages, making it the most significant outlay for most people.

The costs of providing cover for this can vary depending on where you buy your cover from:

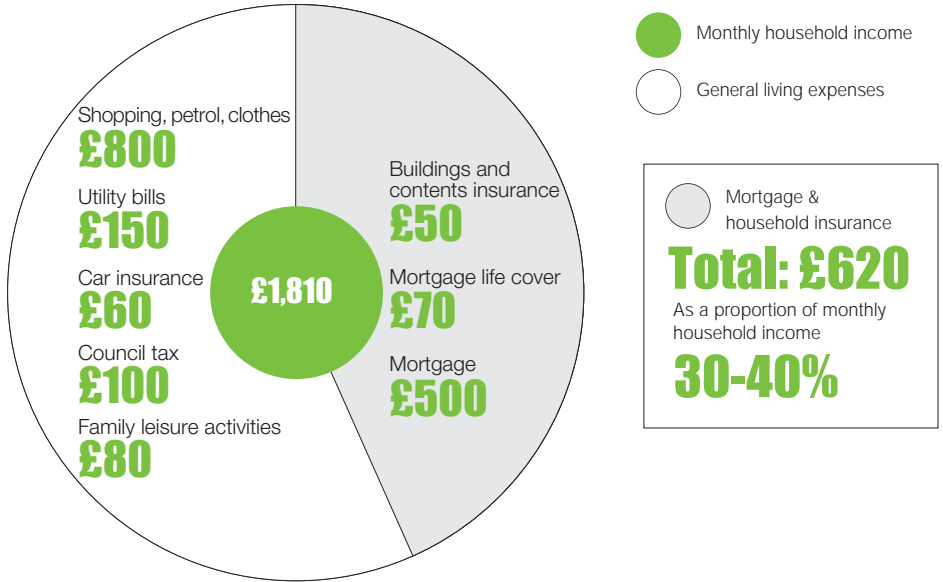
Lender/Provider	Monthly Premium	Amount you could save over 5 years by switching to helpucover.co.uk
helpucover.co.uk	£19.72*	
Natwest	£31.74	SAVE £721.20
Derbyshire	£34.04	SAVE £859.20
Halifax	£36.83	SAVE £1026.60

\*Based on a 35 year old policyholder, with a mortgage repayment plus associated costs totalling £620 per month. MPPI cover for Accident, Sickness and Unemployment, 30 day wait period. (Source: Defaqto February 2009)

# How much does MPPI cost?

## Case Study

Take a look at our example of the typical living expenses over one month. See how much income is spent on mortgage repayments and house related insurance.



If you're thinking you can't afford Mortgage Payment Protection Insurance, take a look at how the monthly cost of MPPI from [helpucover.co.uk](http://helpucover.co.uk) compares with some everyday household expenses.

MPPI with [helpucover.co.uk](http://helpucover.co.uk) from **£19.72\*** a month compares to:



\*Based on a 35 year old policyholder, with a mortgage repayment plus associated costs totalling £620 per month. MPPI cover for Accident, Sickness and Unemployment, 30 day wait period. (Source: Defaqto February 2009)

The information in this guide explains why you may consider Mortgage Payment Protection Insurance. This product is available from [helpucover.co.uk](https://www.helpucover.co.uk) and can help protect you and those you love should the unexpected happen.

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## Benefits of Mortgage Payment Protection Insurance from helpucover.co.uk

- Cover available for **up to £2,000 a month** for a year.
- Cover from **only 63p per month\*** (Per £100 of benefit a month).
- Benefits paid for **up to 12 months**.
- **Paid direct to you** in addition to any other benefits (e.g. Statutory Sick Pay).
- **Personalised quotes** whatever your circumstances - up to age 65.
- **Cover options**, no matter if you're employed or self-employed. Choose either Accident & Sickness protection or opt for Accident, Sickness & Unemployment.
- **Excellent customer service**. Our claims teams aim to make the process quick and easy for you.
- **Award-winning 'Back to Work' Support Service**.

\* for Accident and Sickness cover, 180 day wait period, for someone aged 18 to 24.



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## 'Back To Work' support service

If you need to make a claim, you'll have **immediate access to a programme of added benefits**. Our specially created 'Back To Work' Support Service is designed to relieve the stress and worry of finding yourself out of work, build your confidence, and provide practical support and assistance when you most need it.

**Employment Workshops** - run by recruitment professionals, offering valuable insights into the job market, how to present yourself, and proven interview technique.

**CV Review Service** - professional advice on how to stand out in the job market and highlight your skills and experience.

**Award winning Claim Support** - dedicated online support to make a claim, track its progress, check payments – plus useful links to recruitment consultants and NHS Direct for medical advice.

**Text Messaging Service** - lets you know when payments have been made into your bank account.

**Follow up support** - monthly phone calls to see how you are doing.

**Medical Assistance** - dedicated phone service to support your recovery.

**Employment Rights** - a guide to redundancy and State benefits.

**Health Guide** - full of useful advice to help you get well soon.

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## How to arrange Mortgage Payment Protection Insurance from helpucover.co.uk

### Mortgage Payment Insurance with added aaaaaahhhhhh

For more information, or to purchase Mortgage Payment Protection Insurance, visit: [www.helpucover.co.uk](http://www.helpucover.co.uk) and get request a Quick Quote.

Alternatively, request a Quick Quote by calling: **08000 350 292**.  
Calls may be monitored and recorded for your protection.



## Income Protection with added punch

How would you pay essential household bills like petrol, food, or energy if you lost your job, fell seriously ill, or had an accident? Our great value Income Protection Cover can help you face the future with confidence.

For more information, or to purchase Income Protection Cover, visit: [www.helpucover.co.uk](http://www.helpucover.co.uk) and get a Quick Quote.

Alternatively, request a Quick Quote by calling:  
**0808 156 0233\***



## Pet Insurance with added bite

Looking after a sick or injured animal can cost hundreds of £££s in vet bills. And even thousands if they develop a long term illness.

Which is why you need to make sure you've got sufficient protective cover. Our pet insurance covers your animal against illness!

For more information, or to purchase Pet Insurance, visit: [www.helpucover.co.uk](http://www.helpucover.co.uk) and get a Quick Quote.

Alternatively, request a Quick Quote by calling:  
**0845 2000 738\***



\*Calls may be monitored and recorded for your protection.

## Health Choices with added lolly

You know the importance of prevention and early diagnosis in keeping healthy. But what if there isn't an NHS Dentist in your area or you can't get an appointment with a consultant or physiotherapist for weeks?

Wouldn't you like the option of NHS or Private, traditional or complementary treatments - without all the costs?

For more information, or to purchase a Health Choices Plan, visit: [www.helpucover.co.uk](http://www.helpucover.co.uk) and get a Quick Quote.

Alternatively, request a Quick Quote by calling: **0500 657 657**

Calls may be monitored and recorded for your protection.



## Car Value Protector with added drive

Buying a car is a big investment. Although you insure your car, did you know that if your car is written off or stolen, your insurance payout will be based on the value of your car at the time of the accident or theft, NOT the value when you bought it?

This cover pays the gap between your car insurance payout and what it was actually worth when you took out Car Value Protector.

For more information, or to purchase Car Value Protector, visit: [www.helpucover.co.uk](http://www.helpucover.co.uk) and get a Quick Quote.



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