

CUSTOMER CASE STUDY:

PROTECTION TO
KEEP YOUR CLIENTS
IN THEIR HOMES





Unless your client is a film star, footballer or hedge fund manager, a mortgage is likely to be the biggest investment they will ever make. So when it comes to covering the monthly repayments, clients really can't afford to get caught short.

Unfortunately, life doesn't always run smoothly; unemployment, illness and injury can strike at any time and turn your world upside down. Savings are great, but Paymentsshield research shows that the majority of people couldn't meet their outgoings on savings alone for more than 3 months¹. This means, without a regular income, your client's home can suddenly be very much at risk.

INTRODUCING MORTGAGEPROTECTOR

Rather than worrying about what might happen if they can't make the necessary payments, client's should be educated on the benefits of having an adequate back-up plan.

What many people don't realise is that there is an insurance policy out there already designed to help people when they need it most.

MortgageProtector is a simple, affordable way of protecting your client's mortgage from life's uncertainties - without them needing to dip into savings or borrow money they can't afford to repay. A MortgageProtector policy offers up to £3,000 a month (in addition to any sick pay received from their employer) to help cover your client's mortgage payment and any mortgage-related insurance costs such as home insurance. Clients can even choose to protect an extra 33% of their monthly mortgage and insurance costs combined to help pay for other household expenses, such as council

tax, utility bills, and so on. The client is able to tailor their MortgageProtector policy to their needs with a choice of three levels of cover, a range of qualification periods and there's even the option to defer payments for three or six months at the start of the policy.

CASE STUDY - MR GRAHAM CROSS

What a difference a day makes: Mr Graham Cross, a 46 year old, self-employed window and door engineer from Fareham, Hampshire purchased MortgageProtector from Paymentsshield over 7 years ago, when he and his wife were arranging their first mortgage. It wasn't a product that he had come across before, but after his financial adviser pointed out the benefits, it was a very easy decision.

'My adviser said it would safeguard our mortgage, which sounded like just what we needed. And I think because I was self-employed, it seemed like a good idea at the time. Plus, Paymentsshield offered a reasonable price and the benefits looked good.'

It was four years before Mr Cross needed to use his policy. But everything changed overnight when he was taken ill and diagnosed with a brain tumour. He required an urgent operation and was told it would be a while before he would be back on his feet. After the initial shock, he inevitably started to worry about work and how

he would pay the bills and continue to support his wife and two children in his current state of health. Then he remembered about the Paymentsshield policy.

'My wife dug out the paperwork and phoned up Paymentsshield to make the claim. The forms came through about a week later and it was very straightforward. All it needed was a letter from my consultant - the money was paid without a problem.'

Mr Cross's policy provided him with £465 per month, enough to pay his mortgage in full and even includes a little bit extra to cover some of the household bills. His policy would have continued to pay out for 12 months if he'd needed it but Mr Cross was able to return to work around seven months later. 'The one thing that surprised me was that after I'd made a claim, I went back to work and the policy carried on. I thought it would just stop once I'd used it. It's been outstanding.'

Unfortunately, the treatment Mr Cross received for the brain tumour affected his health in other ways and after only 18 months he found himself unable to work again. 'There was some damage from the radiotherapy, which has caused one or two problems with my memory and eyesight. I needed more time off because I was unable to do my job. That was when I put my second claim in.'

THE ROAD TO RECOVERY

Due to the side effects of his treatment, Mr Cross has been unable to work for the last 6 months but thankfully his MortgageProtector policy was there for him and kicked in for a second time.

In many ways, he thinks it's too good to be true. 'I tell my friends and they can't believe it. They just didn't know that there was a policy out there like that. I tell everybody about it now and I know that some of my friends have since taken out policies themselves.'

It's hard to say what life would have been like for Mr Cross without MortgageProtector, but listening to him talk, it's obvious just how much it means. 'It's massive,' he explains. "I don't have to worry about the mortgage. I can focus on getting better and spending time with the kids. I take my little girl to school and pick her up, and I'm here when my son gets in. My wife works, but with two kids and a mortgage, we wouldn't be able to cope without the MortgageProtector payments."

GOOD ADVICE GOES A LONG WAY

Like most insurance, MortgageProtector isn't there to help you when times are easy. It's about getting you through the tough times - when you've got bigger issues to be worrying about rather than paying bills. Nobody knows what's around the next corner, but there's no point in making it any harder than it needs to be. By ensuring clients put the right financial net in place today, you can help them make tomorrow a whole lot more palatable.

When Mr Cross is asked if he has any advice for others he laughs, 'I talk to mates about it all the time. I hadn't been ill for 15 years before my brain tumour. I tell them that you can't predict what's going to happen; you've got to do something about it. MortgageProtector saved my house and I can't thank my financial adviser enough for recommending it. There's no way we'd be where we are without it.'

CASE STUDY: NOTES

Age:	46
Marital status:	Married
Children:	Girl aged 7, Boy aged 14
Occupation:	Window and door engineer
Location:	Fareham, Hampshire

PRODUCT

MortgageProtector offers up to £3,000 a month or 75% of your gross monthly income (which ever is lower) in addition to any sick pay to help cover your mortgage payment and any mortgage-related insurance cost such as building and contents insurance.

Clients can choose from three levels of cover:

- accident or sickness and unemployment cover
- accident or sickness cover
- unemployment only cover

A CHOICE OF COVER PERIODS

With MortgageProtector clients can choose to protect your mortgage repayments for up to 12 months (unemployment only) or 24 months.

FLEXIBLE QUALIFICATION PERIODS

Clients can choose from 30, 60 or 180 day 'excess' cover or 30 and 60 days back-to-day-one cover. If a client chooses 'back-to-day-one' cover, we will backdate their benefit payment to the first day you were not able to work. If you choose 'excess' cover, benefit payments will start from the first day after the qualification period you choose ends.

OPTIONAL DEFERRED PAYMENT PERIODS

You can decide to defer (delay) the premium payments for three or six months at the start of the policy.

OPTIONAL EXTRA COVER

You can also choose to protect the premium for any mortgage related

insurance costs. Plus, you can cover up to an extra 33% of your monthly mortgage and insurance costs combined to help pay for other household expenses, such as council tax, utility bills, and so on. (The 33% is based on your monthly mortgage repayment and mortgage-related insurance costs.)

CARER COVER (INCLUDED WITH UNEMPLOYMENT COVER)

If you voluntarily leave work to care for an immediate family member and you are receiving (or waiting to receive) Carer's Allowance, you can claim benefit on your MortgageProtector policy. This means you can focus on providing the support they need without worrying about your mortgage repayments.

SINGLE AND JOINT COVER

MortgageProtector can be taken out in one name only (even if you are a joint borrower), or in joint names allowing two people to be covered. How you choose to divide the benefit between you is up to you.

COST

A typical monthly cost for PaymentsShield MortgageProtector is £5.53 for every £100 of monthly benefit. The monthly cost includes Insurance Premium Tax (IPT) at the current rate of 6%. This cost is based on our full accident, sickness and unemployment option with 30 day back to- day-one cover, 12 months of benefit, no deferred premium payment period and protecting a monthly repayment of £620.

This Payment Protection Insurance is optional. There are other providers of Payment Protection Insurance and other products designed to protect you against loss of income. For impartial information about insurance, please visit moneyadviceservice.org.uk

paymentshield.co.uk



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