



Francis Cole
Professional Financial Services

One Life
Live It
Protect It

Barristers Term Assurance Life Cover

Your Take-A-Minute Guide



More Than Insurance It's About Love

Many of our clients are barristers and Life Cover is always a really important area of Financial Protection that barristers ask us for advice on. No-one particularly likes to think about death but it's important to give yourself and your loved ones that financial support if the unexpected happens. Essentially, there are 3 different types of Life Cover that can be set in place to give you that reassurance and peace of mind. These are called Term Assurance Life Cover, Family Income Benefit Life Cover and Whole Of Life Cover. This guide looks at Term Assurance Life Cover.

What is Term Assurance Life Cover?

Life Cover membership will either pay out a one-off tax free lump sum or a monthly income to your family should you die, or are diagnosed with a terminal illness before the end date of your policy. The types of cover which pay out a one-off lump sum and are typically used to pay off a mortgage and/or to leave as a financial gift or support for the remaining partner/family, are called Level Term Life Cover and Decreasing Term Life Cover.

Life Cover that pays out a monthly income (some insurers make the payment once every 3 months), is known as **Family Income Benefit Life Cover** and we have produced a separate 'Take A Minute Guide' for this product.

As mentioned above, there are essentially two types of Life Cover which are often referred to as Level Term Cover and Decreasing Term Cover.

Level Term Cover – the policy will pay the cover amount as a lump sum. The amount that the insurer will pay stays the same throughout the policy term, irrespective of when you die. That said, you can choose to index-link the policy so that the cover amount increases each year in line with any increase in the Retail Prices Index (RPI) up to a maximum of 10%. As a result, your premiums will increase each year. This type of cover is commonly known as 'Increasing Cover'.

Decreasing Term Cover – the policy will pay the cover amount as a lump sum. The amount the insurer will pay decreases each month broadly in line with a repayment loan, such as a mortgage, using a fixed interest rate which you choose when you apply.

You can include Critical Illness Cover to your Life Cover policy. Critical Illness Cover membership will pay out a one-off tax free sum should you be diagnosed with one of the critical illnesses on an insurer's list. We have produced a separate 'Take A Minute Guide' for this product. Please get in touch if you would like to receive this particular guide.

How much cover can I have and how long would the policy last?

The amount of cover can be what you want it to be and you will choose an amount of cover that you feel your remaining partner/family would need if you died.

You can set up the policy so it runs until you are a certain age (e.g. until age 65), or you can just choose a policy that runs for a specific number of years (e.g. 25 years). For example, you may want it to run until your expected retirement age, or until the time when your mortgage is paid off, or to a moment in time where your children are through full-time education. This known as the TERM of the policy.

Ordinarily, the minimum term of a policy is 5 years, and the maximum term would be 50 years. That said, you can take out a Life Cover policy that would literally run for the whole of your life. This is known as **Whole of Life Cover**, and we have produced a separate 'Take A Minute Guide' for this product.

How much does it cost?

The premiums are based on a number of factors such as your age, occupation, smoker status, the amount of cover and the term of the policy. There are also occasions when your medical history, BMI reading or hobbies/lifestyle can affect the premium. For specific quotations, and accompanying information, contact us at either timfrancis@franciscole.co.uk or 07785 921234.

