AFO | ABACUS FINANCIAL OPTIONS

Our Services

We do more than help you find the right mortgage, we also provide advice and guidance on the different types of protection available.

TYPES OF INSURANCE

Life assurance - An essential cover if you have dependants who would need financial support if you were to die. There are various types to choose from depending on your budget and how much, and when, you would want a lump sum to be paid to your loved ones.

Life assurance falls into two categories:

Term assurance – Will pay either a lump sum or an income if you die during the term of the policy.

Whole of life – This is more expensive as it will pay out on death, whenever it occurs.

Critical illness - Most people don't like to contemplate what would happen if they were diagnosed with a critical illness. But with survival rates increasing, critical illness cover could provide that all important financial cushion. In the wake of a critical illness survivors can be faced with major financial difficulties, not all can return to work and many need home modifications or private therapeutic care. Paid out through a lump sum, critical illness cover can help alleviate these financial burdens and manage the day to day monthly bills.

Critical illness cover premiums tend to rise with age and will depend on both your and your family's medical history. Linking your critical illness cover alongside life insurance, can often reduce the costs.

Income - No-one can guarantee they will not be the victim of an accident or be diagnosed with a serious illness. But you *can* guarantee that the bills will keep arriving. When faced with this difficult situation the majority of people depend on state benefits, which are often below the necessary level.

Paid through monthly premiums, an income protection policy is essentially 'piece of mind' insurance. Often paying around half your income, the regular tax-free income helps to relieve financial hardship and maintain your standard of living.

ADDITIONAL TERMS

Adjustable rate - An interest rate that changes based on changes in a published market-rate index.

Claim - A demand made by the insured, or the insured's beneficiary, for payment of the benefits as provided by the policy.

Grace period - The length of time (usually 31 days) after a premium is due and unpaid during which the policy, including all riders, remains in force. If a premium is paid during the grace period, the premium is considered to have been paid on time.

Liability - Broadly, any legally enforceable obligation.

Policy - The written contract effecting insurance.

Premium - The price of insurance protection for a specified risk for a specified period of time.

Underwriting - The process of selecting risks for insurance and classifying them according to their degree of insurability so that the appropriate rates may be assigned. The process also includes rejection of those risks that do not qualify.

Waiting period - The time which must pass after filing a claim before policyholder can collect insurance benefits.

GENERAL INSURANCE

These products provide protection against unforeseeable circumstances that cause damage to a personal asset. General insurance comes in a variety of forms, but all lenders will insist that a buildings policy is in place as part of any mortgage offer.

Buildings insurance - Covers the bricks and mortar of your home along with any fixtures and fittings within the property.

Contents insurance - Protects the possessions within your home.

Pricing - Dependent on personal preference and location.

Payment Protection Insurance is optional. There are other providers of Payment Protection Insurance and other products designed to protect you against loss of income.

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