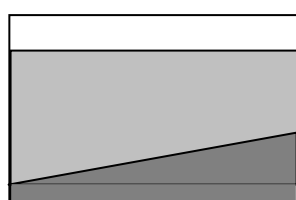




A Beginners Guide to Life Insurance

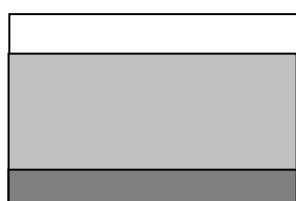
What kind of life insurance policy (or policies) do you have? Here is a quick guide to the most popular kinds so you can be better informed next time we talk about the appropriate level of cover and type for you.

Cover level
 Premiums
 Cash value



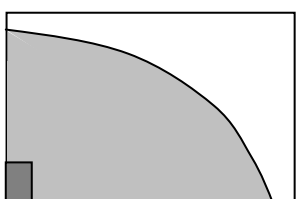
1. Increasing premium, constant or increasing cover

This is called 'term' insurance because it is a contract for a set term e.g. to age 65. Premiums increase with age, which is called 'stepped' premium, while the level of cover remains constant. To maintain the real value of the cover, you can elect to have CPI increases applied.



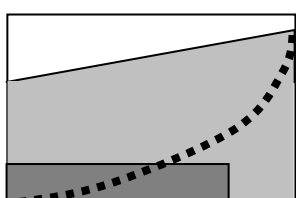
2. Level premium, level cover

This is also called 'term' insurance. However your premium remains the same for the term of the contract (called 'level' premium). If you require insurance for a long time, this is the more cost-effective way, even though you pay more at the beginning, you pay a lot less over the full term.



3. Single (one-off) premium and decreasing cover

This is a common form of insurance used to cover a mortgage. You pay once when the mortgage is taken out and cover decreases as the mortgage does. Before agreeing to it with your lender, you should consult your adviser, as there may be better alternatives for your circumstances.



4. Whole of life

A Whole of Life policy has one significant difference – a cash value. While you may pay higher premiums than for a term policy, this is the best option in some circumstances. And the longer you hold your policy, the greater the cash value.

Which one is best? The answer is all of them! It entirely depends on your circumstances, so please seek qualified advice before buying. And NEVER NEVER cancel a policy without asking your adviser!! You may not be able to get another one in the future or it may be in your financial interest to keep it for a while longer.