



THE COVER CONTINUATION OPTION –
BECAUSE RESPONSIBILITY
DOESN'T STOP WITH A CLAIM.



OLDMUTUAL
WEALTH

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IF YOU AND A PARTNER TAKE OUT LIFE COVER OR CRITICAL ILLNESS COVER IT CAN PROVIDE MUCH NEEDED FINANCIAL SUPPORT SHOULD ONE OF YOU BECOME ILL OR DIE. WHETHER YOU PAY OFF THE MORTGAGE, REPLACE LOST INCOME, OR SET THE MONEY ASIDE FOR YOUR CHILDREN YOU'LL HAVE A FINANCIAL BUFFER TO HELP.

THE DILEMMA

If you take out a joint life policy that pays out when the first person becomes ill or dies, the policy will end when you receive the pay-out. This will leave the second person covered by the policy without any cover for the future. But does the pay-out mean they are financially secure for life?

Imagine, for example, that you suffer from an illness which means you're unable to work and your protection policy has paid you a lump sum and come to an end. Additional financial pressure would be placed on your partner, making life and critical illness cover for them even more important. Depending on your partner's health and age, getting more cover could be difficult. It would mean they have to answer questions about their health and possibly seek a medical report or examination. If their health had worsened since you took out your original policy it could also make a new policy more expensive.

That could leave you with a dilemma: you still have bills to pay, your partner has no cover and new cover is difficult, expensive, or maybe even impossible to get.

THE SOLUTION

We don't want our customers to be left with this dilemma, which is why we automatically include the Cover Continuation Option with all joint life Protect life insurance and critical illness policies that pay out when the first person covered by the policy becomes ill or dies.

NEW COVER

The option enables the second person covered by the policy to apply for their own cover up to three months after your original policy paid out and ended.

NO MEDICAL

Crucially, we won't ask anything about their health or ask that they attend a medical. All that's needed is a simple form to confirm their personal details and the type and amount of new cover needed.

WIDE RANGING COVER

The second person can apply for up to the same amount of cover as on your original policy and it can include any optional benefits that were originally included. It can also last until the same end date.

So, if you choose a Protect policy to cover both of you, you'll know that you can easily continue to cover your financial responsibilities even after a claim.

CONTINUING COVER

WHO CAN USE THE OPTION?



The person who did not claim on the original life or critical illness policy.

MAXIMUM AGE TO USE THE OPTION



MAXIMUM COVER

Up to the same amount as your original policy



FOR HOW LONG?



Up to the same end date as your original policy.

WHAT'S COVERED?

If the original policy:

- was life cover only, the new policy will be life cover only
- included critical illness cover, the new policy can also include critical illness cover (including cover for children)
- included optional benefits such as total permanent disability or premium protection benefit, the new policy can also include these.



CASE STUDY



DAVID AND KAREN

Family situation:

David and Karen live together and have two children: Chloe (19) and Jack (17).

Policy: £230,000 of Protect life and critical illness cover

Term: Rolling term

Cover: their cover ended after David's claim.

DAVID IS 53 AND KAREN IS 50. THEY HAVE TWO CHILDREN: CHLOE, 19, WHO IS AT UNIVERSITY, AND JACK, 17, WHO HAS JUST STARTED HIS A-LEVELS. THEY BOUGHT THEIR CURRENT HOME 15 YEARS AGO AND HAVE A MORTGAGE OF £230,000.

When they moved 15 years ago David and Karen took out a joint life Protect critical illness policy of £230,000 to cover their mortgage. They chose a policy with a rolling term which meant they could renew the cover every ten years for as long as they needed it.

Last year David was working in the garden when he felt a sharp pain in his chest. The pain soon worsened and after being admitted to hospital, a heart attack was diagnosed. After a short time in hospital David came home and has been recovering well.

A few days after coming home from hospital David claimed on the policy and a short while afterwards the couple received the full £230,000. They chose to use the majority of the money to pay off their entire mortgage and while this reduced their monthly outgoings they still have significant

bills to pay and the expense of supporting two children in full time education. But what would happen if Karen were to become ill in the future and their income was reduced as a result? Their cover ended when David claimed.

They are particularly concerned because five years ago Karen was diagnosed with rheumatoid arthritis. It's mild at the moment but if Karen applies elsewhere for new cover the rheumatoid arthritis is likely to mean it will be much more expensive and may also be excluded from the policy.

Fortunately, by choosing a Protect policy, Karen can use the cover continuation option, which was automatically included at no extra cost. This means Karen can apply for more critical illness cover with no health questions or medical. Her arthritis won't be taken into account and therefore won't increase the cost of the cover or be excluded.

Karen did just that and now has a new critical illness policy for £150,000, also with a rolling term. The new policy also includes children's cover for Chloe and Jack until they are 22.

Full details of Protect can be obtained from your financial adviser.

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