first direct

A 5 minute guide to **first direct Life Insurance**

(if you're a reasonably fast reader)

If you've got this far you probably realise you should have some form of life insurance but are not quite sure what you need. So let's get straight to it.

first direct Life Insurance works like this:

- It pays a lump sum should you die or be diagnosed with a terminal illness within the term of the policy.
- The lump sum could be used to pay off a mortgage or other debts, or help fund children through school or college.

So why choose first direct Life Insurance?

first direct Life Insurance is provided by HSBC Life (UK) Limited who have years of experience in this area. We've combined their expertise with our knowledge of the needs and lifestyles of our customers.

The cover that we provide is 'non-advised', which means that we can't tell you what's best for your circumstances - you need to decide these things for yourself.

How do I work out the amount of life insurance I should have?

As with many things, you'll probably need to consider the level of protection you need with what you can afford each month.

In making that decision you may wish to consider:

- how much is left on your mortgage, and whether your family would be able to afford repayments in the event of your death
- any other debts that would need repaying
- whether your family's day-to-day finances might change (for example, the loss of the main breadwinner, or the need to hire childcare) and how much it would cost to manage this
- helping your children with the costs of their education, buying their first home etc.

Remember, you should also take into account any life insurance you may already have elsewhere.

How long should your cover last?

Life Insurance is bought for a specified period of time (the 'term') and many people base the term on how long is left on the mortgage or when they expect their children to be financially independent. Once the term is completed, the cover stops. There is no cash in value at any time.

Level or decreasing cover?

'Level term insurance' means that the policy will pay out the same amount should you die or be diagnosed with a terminal illness at any point within the term of the policy.

'Decreasing term insurance' means that the amount of cover will 'reduce' over the term of the policy. Decreasing term insurance is often used to protect an outstanding mortgage on capital repayment terms.

Have you considered putting your policy in trust?

In the event of your death a Trust can ensure the proceeds of the policy are paid to the person or people you choose to benefit. It also helps to ensure any payment can be made speedily without the need to wait for the settlement of your estate. If you're interested simply call **03 456 100 246*** and we'll send you a pack explaining everything.

Any more questions?

Call us on **03 456 100 246***

*You can speak to our Life Insurance team Monday to Friday 8am - 10pm, Saturday 8am - 8pm and Sunday 9am - 8pm or arrange for them to call you back.

The Life Insurance team are unable to provide advice on the suitability of your policy.

Jargon buster

Jargon	Meaning	Example
Term	The length of time that your policy is bought for	The **term** of the policy was 15 years.
Sum assured	The amount of life insurance you purchase	The **sum assured** was £200,000.
Level or decreasing cover	Whether the payout amount stays at the same level or reduces over the duration of the policy	His **level** term policy would pay out £200,000 at any point if he died. Her **decreasing** term policy will payout £200,000 if she dies on the first day of their policy, but a reduced amount if she dies half way through.
Premium	The amount you pay to receive the benefits of life insurance. It is usually stated in a 'monthly premium' format, indicating the amount that you will pay by direct debit each month for your **first direct** Life Insurance	Her **premium** is £15.00 paid monthly for a period of 15 years.
Trust	The benefits of any claim you make will be paid to whoever you choose and means the benefit can be paid more swiftly	The policy has been placed into **trust** for the benefit of my children when I die.

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