

A black and white photograph of a young girl with long hair in a braid, wearing a black and white striped dress. She is sitting on the floor, looking back over her shoulder towards the camera. Behind her is a large dollhouse with multiple levels and arched windows. The scene is brightly lit, with light coming from the right side, creating a soft glow. The dollhouse is filled with various toys, including a teddy bear and some furniture.

# GUIDE TO PROTECTING YOUR HOME AND PROPERTY

 **JOHN  
CHARCOL**™  
INDEPENDENT  
MORTGAGE EXPERTISE

# BUYING A HOME FOR MANY OF US WILL BE THE BIGGEST FINANCIAL COMMITMENT WE'LL EVER MAKE. SO IT'S IMPORTANT TO UNDERSTAND WHAT PROTECTION YOU MUST HAVE IN PLACE TO BUY A HOME AND THE OPTIONS OPEN TO YOU TO PROVIDE YOU WITH PEACE OF MIND

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Our experts will help ensure you have the required insurance to buy your home and we'll also help you look beyond this to make sure you and your family are covered.

That means ensuring your possessions, valuable family heirloom, high-powered gadgets or an antique are covered against theft, loss and damage. And advising you on the importance of life, critical illness cover and income protection and why you should consider making a Will.

## IN THIS GUIDE WE LOOK AT:

- Page 3** Buildings Insurance
- Page 4** Contents Insurance
- Page 6** Life and Mortgage Protection Insurance
- Page 8** Wills



## BUILDINGS INSURANCE

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Building insurance is a mandatory requirement that all lenders look for when arranging a mortgage, regardless of whether you're buying a property or remortgaging.

### WHAT DOES BUILDING INSURANCE COVER?

Building insurance covers the fabric and permanent fixtures of your home such as; the roof, walls, ceilings, floors, doors, windows, fitted kitchens, built-in cupboards and bathroom suites. A standard buildings insurance policy should cover the full cost of repair or a full rebuild in case of: a fire, lightning strike, storm damage, gas explosion, falling trees, earthquake, vandalism, vehicle collisions with the building or bursting of the plumbing.

### BUYING FREEHOLD VS LEASEHOLD

When purchasing a leasehold property your buildings insurance may already be covered by the monthly or annual maintenance charge. If you are purchasing a freehold property it's likely that the buildings insurance will need to be covered by you and you will need buildings insurance in place for the exchange of contracts.



## CONTENTS INSURANCE

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Aside from building insurance it's also important to ensure that the contents of your home is insured. Contents insurance isn't compulsory, but it offers homeowners valuable protection for their belongings in the event that they were stolen or damaged.

### WHAT DOES CONTENTS INSURANCE COVER?

Contents insurance covers your possessions against loss or damage by theft, attempted theft, fire, explosion, lightning or earthquake. It will also insure against water leakage, storm or flood damage. The 'contents' of your home is defined by insurers as the sort of things you would take with you if you were to move house so it includes items such as furniture, clothes, electrical items, money and jewellery. Contents insurance may also covers some fixtures such as carpets and curtains.

When arranging contents insurance you set the maximum level of cover the policy will pay out if, for example, if all the contents of your home are completely destroyed. So, it's important to make sure you have the right level of protection. Many of us do get this figure wrong and experts estimate that one in five households could be underinsured because they do not know the true value of their home contents.

When you're calculating the value of the possessions in your home it helps to go through each room one by one and make an inventory of your possessions - they will probably add up to more than you think. Don't forget to include items that are in the loft or stored outside in the garden and shed!

### PRICE COMPARISON SITES

Many price comparison sites only offer 'standard' insurance policies and won't necessarily take your personal circumstances and needs into account. Equally, because comparison sites don't provide one on one advice, you could be left with unanswered questions or, worse still, be unaware that you are underinsured or unable to make a claim because of some small print you weren't aware of during the application process.

By arranging your home insurance through John Charcol, you can speak directly to an expert who can guide you through the process and find cover to fit your individual circumstances.



**DOWNLOAD OUR HOME  
CONTENTS CHECKLIST  
AND ENSURE YOU GET  
THE LEVEL OF COVER  
THAT'S RIGHT FOR YOU:**

[www.charcol.co.uk/  
Home-Contents-  
Checklist](http://www.charcol.co.uk/Home-Contents-Checklist)





## LIFE AND MORTGAGE PROTECTION INSURANCE

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We insure our mobile phones, our pets, our cars, but too often we have inadequate protection for ourselves or our families.

We all know that taking out a mortgage is likely to be the biggest financial commitment we'll ever make in our lives. That's why it's important to have a backup plan and ensure you have the right protection in place to give you and your loved ones peace of mind.

Imagine what would happen if you were unable to work because of an accident, serious illness or even loss of life. It's not something that any of us would ever want to contemplate but by having cover in place, you can make sure that you can pay your mortgage, protect your family's lifestyle and have enough money to cover your everyday living expenses.

During the process of buying your house our advisers will discuss the benefits of protection insurance. We recommend that all clients who take on a mortgage consider the benefits of having protection in place. Naturally, our advisers will help you find a competitive price on policies. Equally, if you have already arranged a mortgage and don't have protection in place our specialist protection team can help. Even if you've found it tough to get cover in the past, our specialists will go out to the wider market to help find something for you.

## WHAT LIFE AND MORTGAGE PROTECTION INSURANCE POLICIES ARE AVAILABLE THROUGH JOHN CHARCOL?

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There are a few types of mortgage protection insurance and there's a bit of terminology to understand. Here's a breakdown of each main type.

### LIFE INSURANCE

**Covers you against:** Death or terminal illness

**Benefit paid:** Lump sum

Life insurance pays out in one lump sum, paid tax free, to your dependents in the event of your death. Life insurance can also be known as term insurance and there are two main ways in which the cover can be arranged:

**Level Term Assurance:** With this type of policy, the amount of cover, which is also known as the 'sum assured', remains at the same level throughout the length of the policy. This type of policy is often taken out to help pay off a mortgage and is most suited to interest only mortgages, where the amount of capital owed does not decrease over time. These policies can also be used to provide your family with a lump sum which can sometimes be arranged to increase in line with inflation.

**Decreasing Term Assurance:** Again, this policy pays out a cash lump sum in the event of death, but the amount of money paid out decreases over time. These

policies are a good fit when taken out alongside a repayment mortgage so that the amount paid out is the same, or close to the amount left on the mortgage. Because the amount of cover decreases over the length of the policy, the premiums are typically cheaper than they are for level term assurance.

### CRITICAL ILLNESS INSURANCE

**Covers you against:** Critical illness

**Benefit paid:** Lump sum

Critical illness insurance provides you with a tax free cash sum in the event you are diagnosed with one of a list of common defined critical illnesses. The cash sum you receive can be used however you like, but is designed to take the financial burden off you during a difficult period in your life. Critical illness, like life insurance, can be a fixed lump sum, can increase in line with inflation or can decrease in line with your mortgage.

**Benefits can include:** Free critical illness cover for your children.

### FAMILY INCOME BENEFIT

**Covers you against:** Death or critical or terminal illness

**Type of benefit paid:** Regular income

Family Income Benefit pays out in the event of death, but instead of a

one-off lump sum of cash, it pays a regular, tax-free income until the end of the policy term. This can be a suitable option for people who would rather that their dependents receive a regular income, rather than a one-off lump sum.

**Benefits can include:** Hospitalisation benefit which pays out a lump sum payout if you are in hospital for a minimum of 28 consecutive days following an accident.

### INCOME PROTECTION

**Covers you against:** Illness or injury

**Type of benefit paid:** Regular income

In the event of an accident or sickness, income protection insurance pays out a monthly income to cover a proportion of your salary. You decide at the outset how many months before the policy will pay out (the deferment period) and how long it will continue to pay (the benefit period). This can be until you are either well enough to return to work, you reach retirement age or the policy term ends. Income protection insurance provides you with the peace of mind of a regular on-going income that can help you maintain your lifestyle should you fall ill or have an accident and are unable to work.



## WILLS

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Whether you've just bought your first home, are planning for your children's future or just getting your affairs in order, we can help you tick an important job off your to-do list - your Will.

### WHY SHOULD YOU MAKE A WILL?

Wills are an important legal document that ensures your assets such as your home, savings, investments and belongings go to the right people after your death in accordance with your wishes. Without a Will, you cannot be sure that those you wish to benefit will actually do so.

### Without a Will

- Your spouse or civil partner may not automatically inherit all of your estate.
- If you're not married your 'common law' partner will not receive anything.
- If you have children under the age of 18, they would be taken into care whilst guardians are appointed.
- There could be lengthy delays for your beneficiaries and possible family disputes.
- Many people put off making a Will until it is too late. Put simply, not having a Will could mean that some or all of your inheritance might be left to the wrong person or the state.



**JOHN CHARCOL OFFERS  
OUR CLIENTS ACCESS  
TO AN INEXPENSIVE  
WILL WRITING SERVICE  
THROUGH A THIRD  
PARTY PARTNERSHIP,  
WHEREBY THE COST OF  
A SINGLE WILL STARTS  
FROM JUST £125.**

**TO MAKE AN ENQUIRY  
VISIT:**

[www.charcol.co.uk/Wills](http://www.charcol.co.uk/Wills)

# WHY CHOOSE JOHN CHARCOL

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We've been helping our client buy property and protect their homes for over 40 years. Over this time, we've helped thousands of people get on or move up the property ladder. Here's how we've helped all those people and how we can help you too.

## WE'RE INDEPENDENT

That means we're not tied down to a number of mortgage providers on a panel. Instead, we search a huge number of providers across the whole UK market to find a mortgage that's just right for you.

We're also not driven by commission. We're only driven by the desire to get you great deal on your mortgage.

## WE'RE EXPERTS

When you're moving home, you'll probably experience the full spectrum of emotions. We aim to do our bit to take the stress out of buying your next home.

That means:

- You'll speak directly to your own personal adviser and case handler. They'll stick with you until the job is done.
- Your adviser will speak to you in plain English, get to know you and your requirements and be totally transparent with regards to any fees and charges.

**96%**  
**OF OUR CLIENTS**  
**RECOMMEND US ON\***  
 **REVIEWS**

\*Correct as of Dec 2018



# INDEPENDENT MORTGAGE EXPERTISE

Helping you get the mortgage you  
need to live in the home you love

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Call us on: **0333 363 6080**

or visit: [charcol.co.uk](https://www.charcol.co.uk)

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**YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE**