What we're recommending

Protection

Your objectives		
You've recently increased your mortgage to £190,000 and extended the term to 26 years. You know the existing death and critical illness cover you have is now too low to repay the debt. You want to address this.	You're concerned that Mr's income isn't protected if he can't work due to illness or injury. We talked about the level of monthly income you could insure. Based on your earnings and what you spend, you want the maximum cover available until your state pension age.	You've got a budget of up to £100 per month to spend on protection. Your priority order for cover is protecting the mortgage against death, then Mr's income, then critical illness.
What we recommend to meet your objectives		
A Decreasing Life Assurance (DLA) policy with Legal & General. At the start, it pays out a tax-free lump sum of £190,000 on the first of you to die. The amount of cover decreases over the term of the plan. This is because your outstanding mortgage is decreasing too. After 26 years, the plan ends.	A Budget Personal Sick Pay (PSP) policy from LV=. After you've been unable to work for 8 weeks, it pays a tax-free monthly income of £1,075, the maximum you can have based on your earnings. This continues until you return to work, or two years has passed. The plan ends when you're 67.	A Level Term Critical Illness (CI) policy with Royal London. It will pay out a tax-free lump sum of £47,446 (limited by your budget) on the first of you to suffer a critical illness covered by the plan. The amount doesn't change. After 26 years, the plan ends.
The key risks and other factors you need to be aware of		
If you stop paying premiums, the policies will end and you won't be protected There's no cash-in value on these policies at any time The tax-free status of the benefits could change in the future	If your earnings fall, you might be over insured based on the policy limits You need to make up the shortfall in your income for the first 8 weeks of a claim You chose level cover, which means it won't rise in line with prices each year Premiums increase each year on a guaranteed schedule, which is enclosed	There are exclusions for Mrs, detailed in full in the enclosed acceptance terms Mrs isn't eligible for waiver of premium benefit This is less cover than you've got now. See the Replacement Cover Analysis for full details
How much you pay for it		
The total fee for our advice is £2,200 as agreed at our initial meeting. We talked about how we can use commission from the providers to offset the fee. This means that your monthly premiums are higher. You agreed to pay our fee with a commission offset.		
The commission on this policy is £613.90. The monthly premium is £26.90, or £8,392 over the policy term. Without commission, the premium would be £24.00, or £7,488 over the policy term.	The commission on this policy is £472.35. The monthly premium is £24.88, or £12,680 over the policy term. Without commission, the premium is the same.	The commission on this policy is £1,097. The monthly premium is £52.52, or £16,386 over the policy term. Without commission, the premium would be £47,95, or £14,960 over the policy term.