

What is Mortgage Life Protection Insurance And Why Do You Need It?



Both income protection and mortgage payment protection insurance (MPPI) are designed to help you maintain your standard of living in the event that you are unable to work. You can get coverage for accidents, illnesses, and unemployment under different types of insurance; in some situations, you can get all three; nevertheless, the prices and conditions vary greatly. Here, we guide you through all you should know to protect your home and family.

What Is Mortgage Life Protection Insurance?

The term "mortgage protection insurance" is sometimes used to cover a variety of products, including income protection and mortgage payment protection insurance (MPPI).

Other types of policies designed to cover your repayments or replace your income if you suffer an accident, illness, or unemployment. Life insurance can be used to pay off your mortgage if you were to pass away and leave a partner or children behind, in addition to these policies that assist in covering your expenses in the event of an income loss during your lifetime. See our full guide on life insurance for more details.

Types of Mortgage Life Protection Insurance:



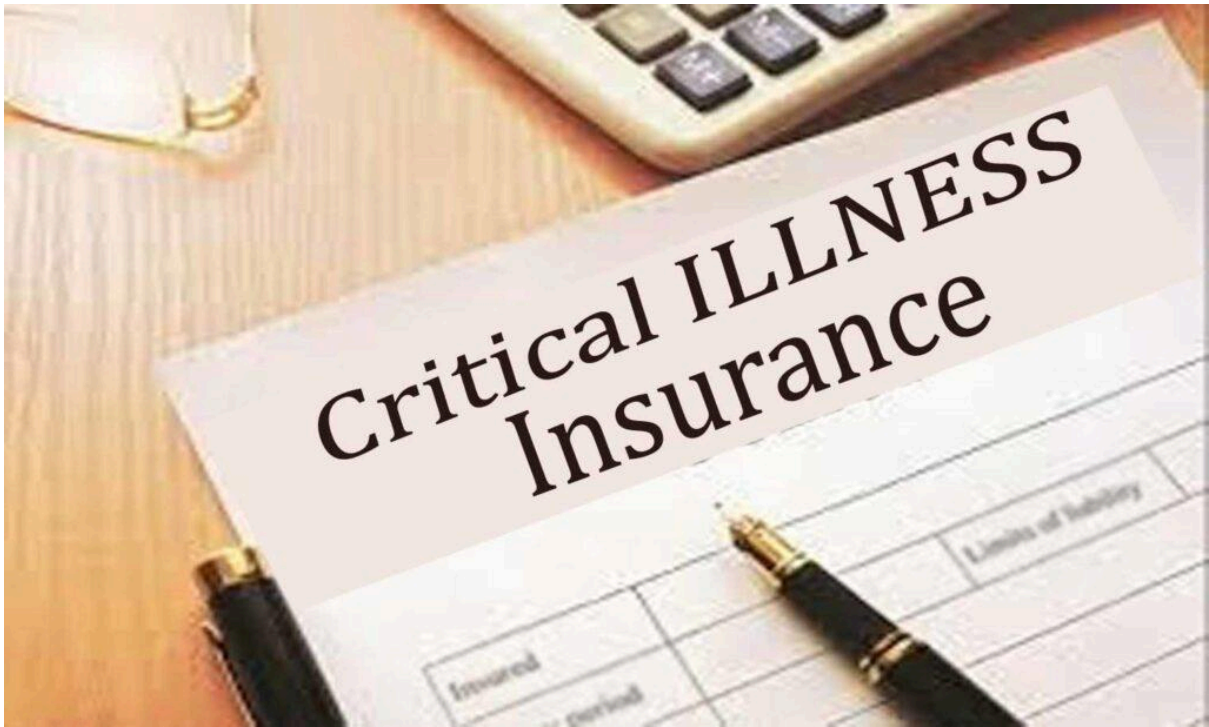
#1 - Income Protection:

If you become ill or injured and are unable to work, income protection is designed to replace a portion of your income. It is also possible, albeit more expensive, to purchase insurance that will protect you in the event of redundancies. Shorter-term income protection (STIP) insurance is less costly and only provides coverage for a predetermined amount of time. In contrast, long-term income protection will safeguard you until you retire.

#2 - Mortgage Payment Protection Insurance (MPPI):

In case you lose your job or suffer an injury or sickness that prevents you from working, [mortgage payment protection insurance \(MPPI\)](#) will cover your loan repayments for a predetermined period of up to two years.

#3 - Critical Illness Cover:



If you become ill with one of the numerous dangerous medical illnesses included in the [critical illness policy](#), a lump payment is paid out. Each insurance is different, but the diseases covered are fairly specific and usually involve particular types and stages of cancer, strokes, and heart attacks. It can be bought independently or coupled with life insurance.

Also Read: [Life Insurance Taxes: Understand UK Life Policy Rules](#)

Is Mortgage Protection Insurance Compulsory?

No, none of these life protection insurance products are required; however, if you don't have insurance, you should carefully consider how you would handle each of the scenarios they cover.

Before you sign up for any new policies, check with your employer if your employment contract includes any sort of protection. In some circumstances, you may have some [protection](#) or cover through your job.

How Much Does Income Protection Cost and Do I Need It?



[Income protection](#), is a practical safety net that provides you with the comfort of knowing that, in the event of an accident or illness that prevents you from working, your monthly income will cover.

For an additional fee, certain plans will also protect you from redundancy, but not from voluntary redundancy. If it covers all three possibilities, the latter may be known as accident, sickness, and unemployment coverage.

Your age, profession, whether you smoke, weight, health, family medical history, and the ailments covered will all affect how much you pay. It will also differ depending on how much of your income you want to replace and when the payments begin after a loss of income.

On a monthly income of £1,000, a healthy 30-year-old man or woman working as an administrator, for instance, would pay £7.63 for basic accident and illness coverage.

Also Read: [Things You Need To Consider Before You Take Out Critical Illness Cover](#)

Things You Should Know Before Buying Income Protection:



In your insurance, there will be an excess period and a minimum claim period (sometimes referred to as a waiting period or a deferred period), which you combine to determine when you will get your first payout. Make sure to align the beginning of the payments with the day on which your employer's sick pay is scheduled to expire.

To find out what protections are already included in your contract before you purchase an income protection policy, speak with your employer. Some companies are more forgiving than others. To what extent will your employer continue to pay your wage while you are ill? Make sure you aren't buying insurance that you don't need because some companies will actually pay for an income protection policy on the employees' behalf as a perk to the staff.

You can buy short-term income protection (STIP), which is less expensive but only provides coverage for a year or two. Long-term insurance plans, on the other hand, are designed to protect you until you start working again or reach retirement age.

Conclusion:

Mortgage life protection insurance can be a valuable tool for protecting your home and your family. If you are still determining whether or not you need Mortgage protection insurance, it is a good idea to talk to a qualified mortgage broker. An [insurance broker](#) can help you to assess your needs and to find the right policy for you. [Mountview Financial Solutions](#), mortgage and insurance brokers are experts. They can help you to understand the different types of policies available and to choose the right policy for your needs. Follow us on [Facebook](#), [Twitter](#), [Instagram](#), [LinkedIn](#) and [Google My Business](#).

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