(Financial Services) Limited

Guide to Protection

Life protection is one of the most powerful tools available to provide peace of mind.

DECREASING TERM ASSURANCE AND/OR CRITICAL ILLNESS COVER

LEVEL TERM ASSURANCE AND CRITICAL ILLNESS COVER

WHOLE OF LIFE (GUARANTEED PREMIUM)

INCOME PROTECTION

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Foreword

Life is unpredictable and, whilst we can't see into the future, we can take steps to ensure our loved ones are cared for, no matter what comes their way. Life protection is one of the most powerful tools available to provide peace of mind, offering a safety net that secures your family's financial wellbeing in your absence or in the event of a critical illness or loss of income.

This brochure is designed to help you understand the vital role life protection plays in protecting the people you care about. Whether you are just beginning to consider life assurance, critical illness or income protection, or looking to review your current policies, we provide clear and accessible information to guide you through your options.

Inside, you will find insights on how life protection can offer financial security, cover unexpected expenses and provide long-term stability for your family.

We'll explain the different types of life assurance and how they work and how to choose the right plan for your unique needs.

Taking the step to secure life assurance, critical illness protection and income protection is a commitment to safeguarding your family's financial future. We hope this brochure will help you make an informed decision that brings confidence and security for years to come.

About Sturdy Edwards Financial Services Ltd

At Sturdy Edwards Financial Services Ltd, we are committed to providing expert, personalised, financial advice to help you secure your future with confidence. With years of experience in the industry, we understand that every individual and family have unique financial goals and challenges. Our mission is to offer tailored solutions that protect and grow your wealth, while providing peace of mind through every stage of life.

Whether you are planning for retirement, protecting your family with life assurance, or seeking advice on investments, we have the expertise and resources to guide you. We work closely with you to understand your specific needs and provide clear, practical, financial advice that aligns with your objectives.

Our services include life assurance, critical illness protection, income protection, mortgages, pension and retirement planning and investment planning – all designed to protect your financial wellbeing and give you the freedom to enjoy life without worry. At Sturdy Edwards, we take pride in our client-focused approach, always putting your interests first.

With a reputation built on trust, integrity and a genuine passion for helping our clients, we're here to support you in making informed decisions that can help secure the future for you and your loved ones. We invite you to explore our services and discover how we can work together to achieve your financial goals.

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Life Assurance

Life assurance is one of the most powerful ways to secure the financial security of those we hold dear. Life assurance ensures that your loved ones won't have to face financial hardship in the event of your passing. It acts as a safety net, providing support when it is needed most, covering daily expenses, paying off debts and preserving the quality of life for those left behind. Whether it is safeguarding your family's lifestyle, funding a child's education or securing the future of your business, life assurance is an essential part of sound financial planning.

Understanding the importance of life assurance is the first step in securing peace of mind. It is not just about what happens today, but about protecting your family tomorrow. With the right life assurance plan, you can ensure that the future remains bright for your loved ones, no matter what.

Critical Illness Protection

Whilst we may not always be able to predict life's challenges, we can take proactive steps to protect ourselves and our loved ones from their financial impact. Critical illness protection is one of the most important ways to provide a safety net when life takes an unexpected turn.

A critical illness diagnosis - whether cancer, heart disease or other life altering condition - can bring significant emotional and physical challenges; but it can also come with unexpected costs, medical bills, treatments not covered by insurance or the NHS and the inability to work during recovery. Critical illness protection ensures that you don't face these financial burdens alone.

This type of cover provides a lump sum payment if you are diagnosed with a serious illness covered by the policy. This financial support can help with everyday expenses, medical costs and other needs that may arise, allowing you to focus on your recovery, instead of worrying about finances. It can also offer you the flexibility to seek the best treatments available, whether they are locally or internationally accessible.

Income Protection

While we may plan for the future, we don't often anticipate the challenges that may arise along the way. Whether due to illness, injury or an unforeseen event, losing your ability to work can have a significant impact on your financial stability and this is where income protection comes in – an essential safeguard that ensures you're covered when you need it most.

Income protection provides a financial safety net, by replacing a portion of your income if you are unable to work due to illness or injury. It helps to cover day-to-day expenses, such as mortgage or rent payments, utility bills and other essential costs, allowing you to focus on your recovery without the added worry of financial hardship.

In today's world, where many people live pay cheque to pay cheque, the loss of an income, even temporarily, can quickly lead to serious stress and strain. Income protection allows you to maintain your standard of living and provides the security that, in times of illness or injury, your financial wellbeing is not at risk.

In this brochure, we will help you explore how life assurance can give you the confidence to plan for life's uncertainties, protecting your family. It starts with making informed decisions and we are here to guide you on that journey.

Wills & Powers of Attorney

Life is filled with unexpected moments and, while we cannot predict the future, we can plan for it. Having a Will and Powers of Attorney in place is one of the most important steps you can take to ensure that your wishes are respected and that those you care about are protected, no matter what life may bring.

A Will ensures that your assets and belongings are distributed according to your wishes after your passing. Without a Will, the law decides how your estate will be divided, which may not align with your intentions. By creating a Will, you gain control over your legacy, making it easier for your loved ones to navigate a difficult time and reducing the potential for conflict.

On the other hand, Powers of Attorney allow you to designate trusted individuals to make decisions on your behalf if you become incapacitated or unable to manage your affairs. There are two main types: Health Care Power of Attorney and Financial Power of Attorney. These documents ensure that someone you trust is empowered to manage your medical treatment or financial matters if you are unable to do so, avoiding delays or confusion in crucial times.

Together, a Will and Powers of Attorney provide clarity, reduce potential conflicts and ensure that your personal, financial and medical affairs are in good hands, even when you are not able to make decisions for yourself.

If you would like assistance with preparing a will and powers of attorney please ask and we can recommend a local firm of solicitors.

Decreasing term assurance and/or critical illness cover

What is it?

Decreasing Term or Mortgage Protection policies as they are often known, provide cover that matches the outstanding balance of your mortgage / loan and will pay a lump sum that can be used to pay off the remaining balance of your mortgage / loan in the event of death. If critical illness is included in the policy, then the remaining balance of your mortgage / loan will be paid off in the event of diagnosis of a critical illness or death.

Premiums can be guaranteed throughout the term or reviewable at certain intervals, but should you survive the policy term, there will be no benefit. As this type of contract only provides cover in the event of death and / or diagnosis of a critical illness there is no surrender value, so if you stop paying the premiums at any time, your cover will cease.

Decreasing term assurance

Essentially, term assurance is the cheapest type of life cover and is normally used for the benefit of the life assured's family or business, but it does have limitations.

As it has a fixed term, there is no flexibility and you will be unable to increase cover or extend the term. Should your health have deteriorated during the term of the policy, you may be unable to obtain further life cover at the end of the term.

There is no investment element to the policy, and your sum assured will decrease throughout the policy term matching the outstanding balance of your mortgage (providing repayments have been maintained at the expected level). Some products allow you to select the interest rate to match the rate of interest on the mortgage / loan whilst others have pre-set rates, it is important to review the cover if the rate of interest changes on your mortgage.

Premiums are based on your personal circumstances but the main areas for consideration by an insurer are your age and state of health. The older you are, the higher the premium will be. Similarly, if you have or have had a serious ailment, the insurer may seek to charge you more or in some cases be unwilling to cover you at all. Higher levels of cover and longer policy terms all increase cost as will the fact that an individual smokes.

Critical illness cover

A Critical Illness plan is designed to pay out a lump sum if you are diagnosed as suffering from any of the insurer's specified critical illnesses but survive for a period of time after diagnosis (normally 28 days). The lump sum could be used to pay for things like nursing care, home help, adapting your house to accommodate a disability, for a holiday to recover from treatment, but in this case, paying off your mortgage.

Critical illnesses usually include; cancer, coronary artery bypass, heart attack, kidney failure, multiple sclerosis, major organ transplant and stroke. These are known as core conditions and account for the majority of claims. The comprehensiveness of conditions covered by different critical illness policies varies enormously and details of which conditions are covered by the policy will be fully explained in any supporting literature which you should check to ensure it meets your purposes.

In the event that you are diagnosed as suffering from one of the critical illnesses covered by your policy then the sum assured under the contract will become payable. Once this sum assured has been paid the life cover will not remain in force.

Eligibility

You must be aged 18 to take out a life assurance contract.

Taxation

The proceeds of the policy will be paid out free of income and capital gains tax.

All statements concerning the tax treatment of products and their benefits are based on our understanding of current tax law and HM Revenue and Customs' practice. Levels and bases of tax relief are subject to change.

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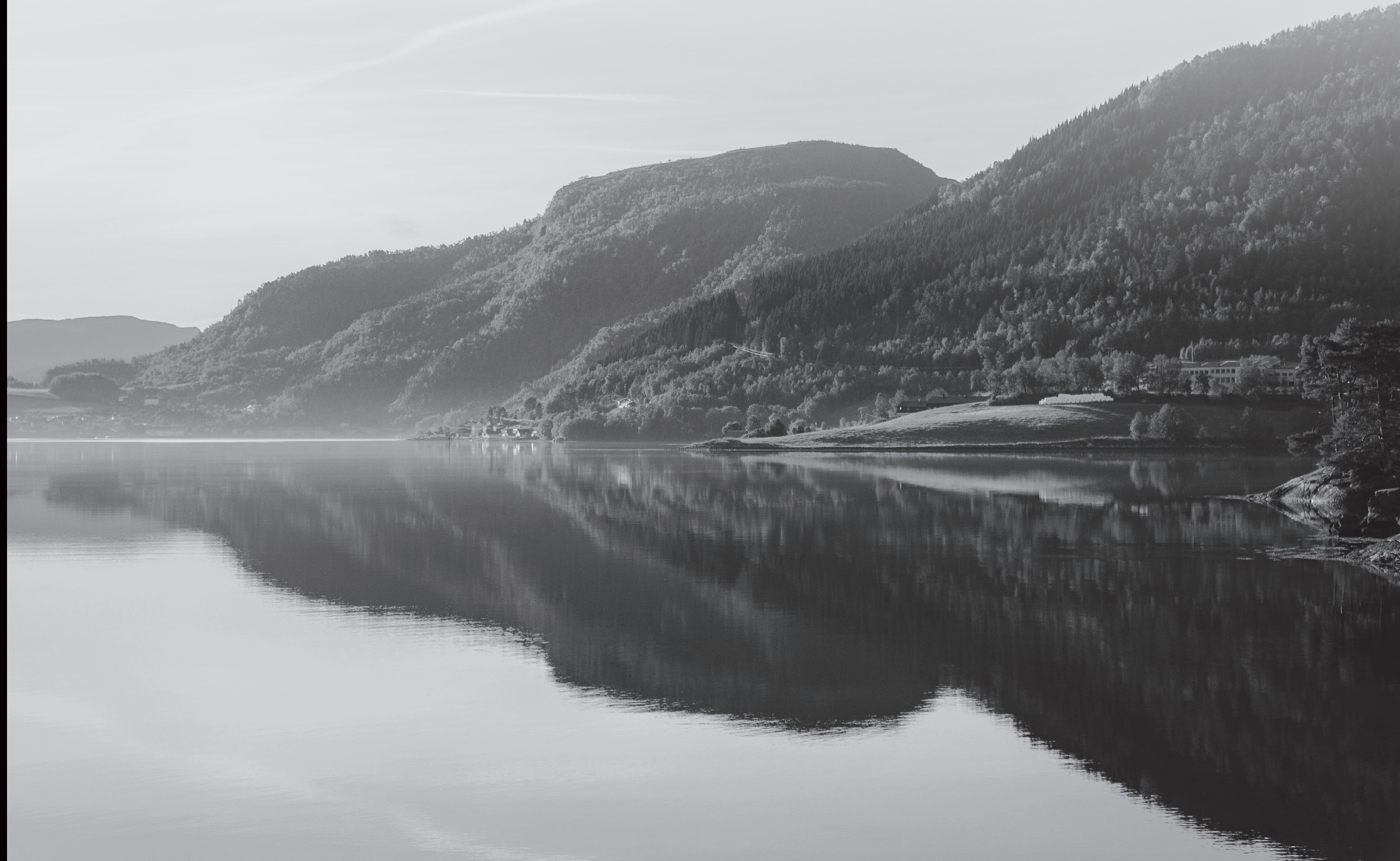
Risk considerations

There are a number of risk considerations that need to be taken into account. It is important that you are aware of these.

- Please note that at the end of the term selected, cover will lapse and no further benefit will become payable.
- This contract is designed to provide you with a high level of cover at minimal cost and therefore, if you stop paying premiums your cover will cease and the policy will not acquire a surrender value at any time.
- Failure to disclose any requested or relevant information may adversely affect any future claim.
- Payment will not be made for a critical illness claim arising from an excluded condition (relevant to Critical Illness only).
- You may have to increase contributions to maintain your desired level of cover or reduce cover to maintain your chosen level of contribution.
- The present tax free treatment of the policy benefits may change.
- If this plan is linked to a mortgage or loan, depending on the interest rate of the mortgage or loan and the interest rate on the decreasing term plan, the policy benefits may be less than the outstanding debt in the event of a claim.
- If any relevant information provided, when applying, is not disclosed accurately and honestly, this could result in any cover offered becoming invalid and / or may result in the non-payment of any future claims.
- If this policy is to replace any existing policy offering the same type / level of cover, you should not cancel any existing policy until the new policy is in force.



Level term assurance and critical illness cover

What is it?

Level term assurance

Level term assurance policies have a known level of cover that will be paid out in the event of death within a known period of time. Premiums remain level throughout and should you survive the policy term, there will be no benefit. As this type of contract only provides cover in the event of death there is no surrender value, so if you stop paying the premiums at any time, your cover will cease.

Premiums are based on your personal circumstances but the main areas for consideration by an insurer are your age and state of health. The older you are, the higher the premium will be. Similarly, if you have or had a serious ailment the insurer may seek to charge you more or in some cases be unwilling to cover you at all. Higher levels of cover and longer policy terms all increase cost as will the fact that an individual smokes.

Essentially, level term assurance is cheap cover on your life for the benefit of your family or for your business, but there are limitations to it.

As it is a fixed term, there is no flexibility and you will be unable to increase cover or extend the term. Should you therefore find yourself ill at the end of the term you may be unable to obtain further cover.

There is no investment element to the policy, and your sum assured will take no account of inflation.

Critical illness cover

A Critical Illness plan is designed to pay out a lump sum if you are unfortunate enough to suffer from any of the specified critical illnesses but survive for a period of time after diagnosis (normally 28 days). The lump sum could be used to pay for things like; nursing care, home-help, adapting your house to accommodate a disability, paying off your mortgage or giving you a holiday to recover from treatment.

Critical illnesses usually include; cancer, heart attack, kidney failure, multiple sclerosis, major organ transplant and strokes. These are known a core conditions and account for the majority of claims. The comprehensiveness of conditions covered varies enormously and details regarding what will and will not be covered will be fully explained in any supporting literature which you should check to ensure it meets your purposes.

It is usual to include cover for permanent total disability within the contract. The definition of Permanent Total Disability does vary and some insurers define it as the life assured being unable to follow his / her normal occupation as a result of sickness whilst others will define it as the life assured being unable to independently perform three or more Activities of Daily Living as a result of sickness or accident.

Critical illness cover can be included as part of your level term assurance policy or as a separate policy.

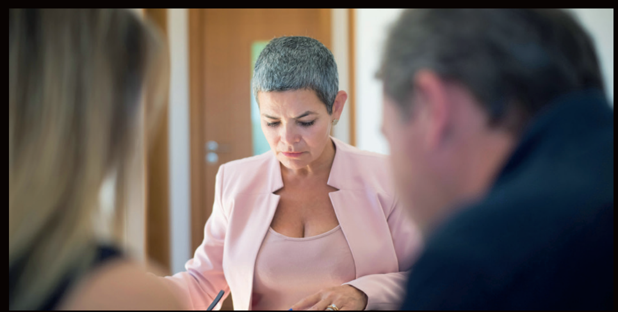
Eligibility

You must be aged 18 to take out a life assurance contract.

Taxation

The proceeds of the policy will be paid out free of income or capital gains tax. A trust may be used to ensure the proceeds of the policy are paid to your chosen beneficiaries and to avoid being included in your estate for inheritance tax purposes.

All statements concerning the tax treatment of products and their benefits are based on our understanding of current tax law and HM Revenue and Customs' practice. Levels and bases of tax relief are subject to change.



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Risk considerations

There are a number of risk considerations that need to be taken into account. It is important that you are aware of these.

- If you stop paying premiums your cover will cease.
- As the plan is for protection rather than investment it will not acquire a surrender value at any time.
- Failure to disclose any requested or relevant information may adversely affect any future claims.
- Payment will not be made for a critical illness claim arising from an excluded condition (relevant to Critical Illness only).
- You may have to increase contributions to maintain your desired level of cover or reduce cover to maintain your chosen level of contribution.
- At the end of the term selected, cover will cease and no further benefit will be payable.
- The present tax free treatment of the policy benefits may change.
- If this plan is linked to a mortgage or loan, depending on the interest rate of the mortgage or loan, the policy benefits may be less than the outstanding debt in the event of a claim.
- If any relevant information provided, when applying, is not disclosed accurately and honestly, this could result in any cover offered becoming invalid and / or may result in the non-payment of any future claims.
- If this policy is to replace any existing policy offering the same type / level of cover, you must not cancel any existing policy until the new policy is in force.

Whole of Life (guaranteed premium)

What is it?

A whole of life assurance policy with guaranteed premiums promises payment of a known level of cover upon death of the life / lives assured whenever death occurs, provided that premiums are maintained. The premium and sum assured are fixed throughout the life of the policy (in some cases it is possible to include an annual increase in the amount of life cover (5%, for example) which would mean that the premium also increases each year).

Some companies offer guaranteed or fixed premiums, whilst other plans reserve the right to review premium levels on a periodic basis. There is usually a small additional cost for the advantage of a guaranteed premium but with the assurance of knowing what future premiums will be.

Premiums are based on your personal circumstances but the main areas for consideration by an insurer are your age and state of health. The older you are, the higher the premium will be. Similarly if you have or had a serious ailment the insurer may seek to charge you more or in some cases be unwilling to cover you at all. Higher levels of cover will increase cost as will the fact that an individual smokes.

Whole of life cover is more expensive than term assurance cover due to the fact that the cover continues throughout life.

There is no investment element to the policy, and your sum assured will take no account of inflation unless increasing cover is selected.

In the event of you being diagnosed as suffering from a terminal illness i.e. one where the expectation of life is less than twelve months the sum assured under the contract will become payable.

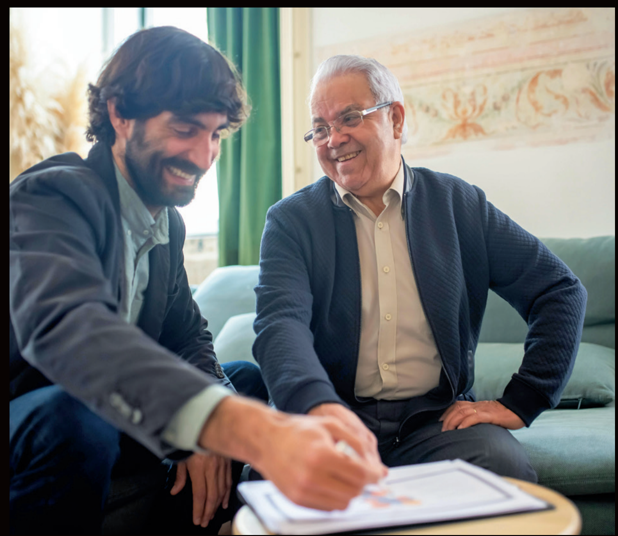
Eligibility

You must be aged 18 to take out a life assurance contract.

Taxation

The proceeds of the policy will be paid out free of income or capital gains tax. A trust may be used to ensure the proceeds of the policy are paid to your chosen beneficiaries and to avoid being included in your estate for inheritance tax purposes.

All statements concerning the tax treatment of products and their benefits are based on our understanding of current tax law and HM Revenue and Customs' practice. Levels and bases of tax relief are subject to change.



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Risk considerations

There are a number of risk considerations that need to be taken into account. It is important that you are aware of these.

- Failure to disclose any requested or relevant information may adversely affect any future claims.
- You may have to increase contributions to maintain your desired level of cover or reduce cover to maintain your chosen level of contribution.
- This contract is designed to provide you with a high level of guaranteed cover with guaranteed premiums at minimal cost and therefore does not acquire a surrender value at any time.
- If a premium is unpaid 30 days after its due date the policy will lapse without value and the life cover will be lost.
- At the end of the term selected, cover will cease and no further benefit will be payable.
- The present tax free treatment of the policy benefits may change.
- If any relevant information provided, when applying, is not disclosed accurately and honestly, this could result in any cover offered becoming invalid and / or may result in the non-payment of any future claims.
- If this policy is to replace any existing policy offering the same type / level of cover, you must not cancel any existing policy until the new policy is in force.

Income Protection

What is it?

Under an income protection plan or permanent health insurance (PHI) policy, as it is sometimes known, an income benefit would be paid to you if you were unable to work because of disability caused by sickness or accident. The benefit is paid, basically, as compensation for loss of earnings. Benefit will normally start at the end of an initial waiting period, which is normally 4, 13, 26 or 52 weeks long and is payable until you either return to work, die or the policy term expires. The policy term is normally linked to your expected retirement age.

The level of premium for the required amount of cover will depend on the type of plan and the company chosen. Some companies offer guaranteed or fixed premiums, whilst other plans reserve the right to review premium levels or offer the potential to build up a surrender value.

For a slightly higher premium the option is normally available to have the level of cover automatically increased each year in order to potentially provide some protection against the effects of inflation.

The definitions of disability vary considerably. Generally, in order to make a valid claim, you must demonstrate that you're 'totally unable by reason of sickness or accident to follow your own occupation' or 'your own and any other for which you are suited by reason of experience and / or qualifications' (known as 'any suited') or, indeed, 'any occupation whatsoever'. The definition of disability, i.e. whether 'own occupation', 'any suited occupation' or 'any occupation', is obviously crucial for underwriting and claim purposes and will affect premium rates. Clearly own occupation offers greatest protection.

Eligibility

The main objective of an income protection policy is to replace earnings lost through illness or disability without reducing the insured's financial incentive to return to work. Otherwise the policyholder would simply be content to draw benefits for the rest of the term. All income protection policies therefore stipulate a maximum income benefit limit. Typically, this is in the region of 50% - 60% of the average monthly earnings of the insured in the year prior to disablement. Benefits from other income protection policies will usually be taken into account, and it is common for State Employment and Support Allowance to be taken into account in calculating the benefit limit.

Taxation

The benefit payable is tax free under current tax rules.

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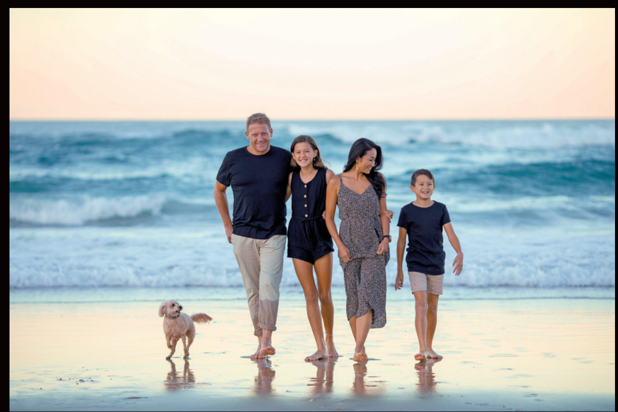

Risk considerations

There are a number of risk considerations that need to be taken into account. It is important that you are aware of these.

- You should review the level of cover required on a regular basis to ensure that it keeps in line with your earnings, otherwise, cover may be less than you need.
- If for any reason you stop paying premiums, cover will cease.
- The payment of any benefits may affect any claim to means tested state benefits.
- The present tax free treatment of the policy benefits may change.
- Benefits may be reduced if you receive other regular income, such as salary or pension.
- The payment of any other payments i.e. sick pay, may have an impact on the benefits payable.
- If any relevant information provided, when applying, is not disclosed accurately and honestly, this could result in any cover offered becoming invalid and / or may result in the non-payment of any future claims.
- Failing to disclose any requested or relevant information may adversely affect any future claims.
- This type of policy does not acquire a surrender value at any time.
- If this policy is to replace any existing policy offering the same type / level of cover, it must not be cancelled until the new policy is in force.

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- MORTGAGES
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- INVESTMENTS
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Meet Our Financial Advisor Team

01342 313733 sturdyedwards.co.uk ins@sturdy-edwards.co.uk
193-193A London Road, East Grinstead, West Sussex RH19 1HA