Viewpoint

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Is now the right time to fix?
If you're considering changing your mortgage, a fixed-term deal might be right up your street.

With protection comes choice
The pay out from an insurance policy can do more than just cover your basic outgoings.

What's your General Insurance start date?
Why it's important to have the right cover in place at the right time.

Is now the right time to fix?

November 2017 saw the Bank of England raise interest rates for the first time in a decade, from 0.25 per cent to 0.5 per cent, causing a number of lenders to increase their mortgage rates.

The Bank of England has indicated there could be further rate rises, so if you're on a Standard Variable Rate (SVR) or Tracker mortgage you might start to question whether now is the right time to fix your mortgage rate.

When will interest rates go up?

With the UK experiencing high inflation but weak economic growth, opinions are split on how the Bank of England will react, making it very difficult to predict when interest rates might rise.

Should I consider moving to a fixed rate mortgage?

The attraction with a fixed rate mortgage is the certainty it gives to your monthly mortgage repayments over a set period. This is useful if you're on a budget because it gives you peace of mind that if the interest rate goes up, your repayments will stay the same for the period of the fixed rate.

Whatever type of deal you're on, it's a good idea to take any increase in the base rate as an opportunity to review your current mortgage, particularly as lenders will be launching deals to entice new, and retain existing, customers. As the base rate and mortgage rate are often closely linked, many experts believe now is an ideal time to get a new deal, especially if you're currently on a high SVR.

If you are considering changing your mortgage deal, make sure you're clear on any fees and charges that may be due when remortgaging, as these can reduce any potential savings made. Some lenders have exit fees and early repayment charges as high as 5 per cent, so if you're coming to the end of your term, check that you're not switching out during the penalty period.

When looking for a new mortgage deal, it's sensible to start reviewing your options between three and six months before your mortgage deal is due to end.

If you're not sure whether moving to a fixed rate is right for you, please get in touch.

Your home may be repossessed if you do not keep up repayments on your mortgage.

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With protection comes choice

How many times have you heard the phrase "It won't happen to me" when it comes to the chances of suffering a serious illness? Unfortunately, given that 1 in 2 people born after 1960 in the UK will be diagnosed with some form of cancer during their lifetime we should perhaps adopt the lottery approach and assume "it could be you".

If you'd like to talk to us about critical illness cover and income protection as part of a protection portfolio, please get in touch.

Did you know?

The **average age** of a critical illness policy claimant is **47**, and **54** for a terminal illness claimant. - *Legal & General Claims Department 2017, based on critical illness and terminal illness claims paid in 2016*

If you have a mortgage, or people who rely on your income, you should have some sort of protection cover in place in the event that you have to stop work. We can advise you on a range of policies designed to either pay out a lump sum, or provide a temporary regular income.

Critical Illness cover

Following a successful claim, receiving a lump sum on diagnosis of a specified critical illness can give you precious breathing space; space that allows you and your family to overcome the initial shock and begin a potentially gruelling treatment regimen without the added strain of mounting debt.

But it's not just your finances that a critical illness pay out could help with. What if you wanted to pay for treatment that's not available on the NHS, or you needed to make structural changes to your home as a result of your illness? And after the treatment, wouldn't it be lovely to take the family away so that you could all relax and spend some quality time together?

Income protection

According to research from Macmillan Cancer Support, four out of five cancer patients face a monthly expense of £570 a month as a result of their illness, due to the impact of reduced earnings and additional expense including hospital visits and higher utility bills. When you consider that the average weekly household spend in the UK in 2017 was £554.20, it's clear that even a relatively short time off work could have an immediate impact.

Income Protection can replace part of your income if you're unable to work for a long time due to illness or disability. This can help you keep up your regular outgoings such as rent or mortgage payments and the usual household bills and expenses. Some plans have the facility to add unemployment cover and some offer additional benefits like counselling services which can ease the burden during a potentially difficult and stressful time.

Will your policy pay out?

If you're put off buying protection because you don't think it will pay out when you need it, think again. According to the Association of British Insurers **£4.7bn** was paid out on protection claims in 2016, the equivalent of **97%** of all protection claims received during the year.

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What's your General Insurance start date?

When you're in the process of buying a house, you might think the best time for your Home Insurance cover to kick in is on the day you move in. Right?

In fact, you must make sure you're covered on the day you exchange contracts, because it's at that point that you become legally responsible for the property.

Avoiding a nightmare

Imagine the scene…. you've just exchanged contracts on your lovely new home and you're packing the last of the boxes and finalising the move date with the removal firm. The next morning, you get a call with the news that a tree has crashed through the roof of your new home during an overnight storm and you now have to find the money to fix the damage, as well as temporary alternative accommodation, because you had arranged your buildings insurance to coincide with your move in a few days' time.

It may seem unlikely, but we would always recommend that you have cover in place on the day you exchange. And when it comes to contents insurance, it's wise to make sure the cover you take out includes 'Goods in transit', in case any of your personal possessions are damaged during the move.

Make sure you check with your insurer beforehand as some policies will only cover you if you for this use a professional removals firm.

First time buyer?

If you're taking out buildings and contents insurance on your first home, take the time to compare the policies available and don't just pick the cheapest – it's often a truism that you get what you pay for.

It's useful to check the additional benefits that come with the cover as these will vary with every insurer. For instance, one might offer £1,500 worth of cover for flood damage and another might cover double the amount. Sheds, garages and outbuildings, and the contents inside them, may or may not be covered, so make a point of checking these too.

If you're looking to move to an area that's prone to flooding, it might be worth taking out cover for alternative accommodation so that you don't have that additional worry if your house was to become uninhabitable due to a flood.

Buying your first home, or moving to a new one, can be exciting, but stressful. Talk to us about home insurance cover and we can help to take the strain.

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