



Assura Protect

Summary

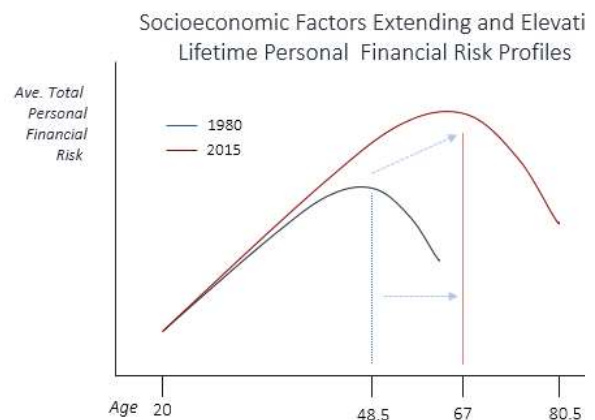
With lapse rates now close to 1 out of every 3 Over 50's whole of life policies sold – this data suggests that many Over 50's policies are missing the mark and not providing the designed long-term protection for policy holders.

Background

Assura believes much of this can be largely attributed to changing socioeconomic factors. Since the 1980's average lifetime personal financial risk levels have been both elevated and extended by the following;

Socioeconomic factors

- Extended child dependency
- Prolonged employment / delayed retirement.
- Increases in second+ careers.
- Later stage divorce
- Increase in second home purchases



In the UK many policyholders purchased Over 50's whole of life policies as part of long term estate planning but also to protect against later stage financial risks. Purchasers were attracted to the products due to the simple product design with:

- Guaranteed acceptance underwriting
- No medical exams and quick application process
- "Low and affordable" advertised monthly premiums

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But even with simplicity Over 50's Policies do have key risks and considerations...

- Potential for total premiums paid to exceed benefits payment.
- Low cover / sum assured amounts to premium. £30 a month premium for a 50-year-old man provides on average a death benefit of £10,500 if premiums continued to be paid.
- Restricted initial cover. Full cover is often eligible until after 12 – 24 months after purchase.
- Cover not available prior to age 50.

So, the question remains ... Do Over 50's whole of life policies provide the long-term benefits for policy holders?

The data is unsupportive...

- Close to 30% of all Over 50's policies lapse prior to any benefit being paid – 60% of those occur within the first 24 months after initial purchase.
- The average holding period of an over 50's plan is approximately 8 years.
- According LIMRA Whole of Life Policies have a long-term average lapse rate of 4% per year which means after year 18 only 49.9% of policies are still in force.

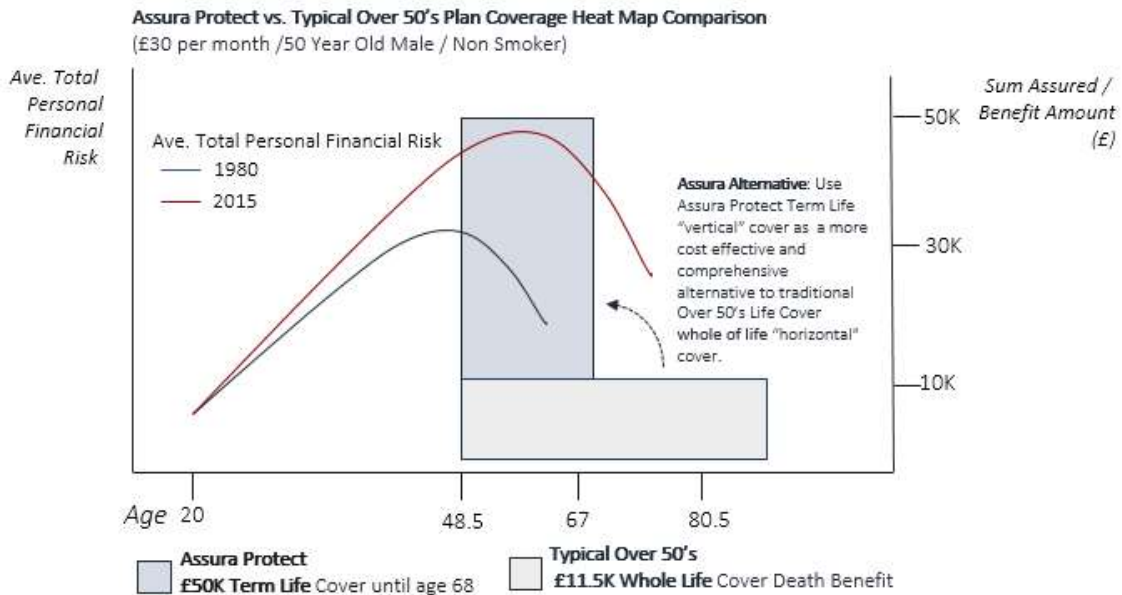
But the real question is why? Assura believes there are three primary reasons for this ...

- **Long Term Affordability.** Many industry experts point to the fact that people on fixed incomes, later in life, can no longer afford the whole of life premiums especially when policies cannot be restructured to account for changes in financial circumstances.
- **Inadequate Cover.** For example: Will the average Over 50's policy death benefit of under £6,000 be sufficient to cover outstanding liabilities and/or materially provide for a family who has lost a primary income earner? For most UK households - probably not unfortunately.
- **Value for money.** The combination of the Over 50's product risks and limitations plus the expense of monthly premium payments once personal financial risk has abated might not offer policyholder(s) the initial proposed value for money.



The Assura Protect Alternative

Use Assura Protect Term Life “vertical” cover as a more cost effective and comprehensive alternative to traditional Over 50’s Life Cover whole of life “horizontal” cover.



Comparison of Covers

Cover	Assura Protect	Leading Over 50's Plan
Life Cover for 50 Year old Male / Non Smoker paying £30 a month	£50,000	£11,700
Guaranteed Acceptance with no Medical Exam	Yes	Yes
Full Cover / Benefit eligibility	Day 1	After 2 years
Critical Illness (CIC) Available	Yes - Up to £25,000 with optional CIC Policy	Yes - £2,934 or 20% of Life Cover benefit Included
CIC Cover	Core 8 - Cancer, Heart Attack, Bacterial Meningitis, MS, Stroke, Organ Transplant, Coronary By-Pass.	Comprehensive
Pre-Existing Conditions Covered?	Yes - Once a policy holder is symptom and treatment free for a period of two years.	Yes
Child Cover Available	Yes	No
Policy Type	Term Life	Whole of Life
Guaranteed Acceptance Period	Ages 18 to 61 renewable up to age 69	Ages 50 to 80

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Assura Protect – Summary of Coverage Limits Available

Level 1

Age	Life Cover Benefit	Critical Illness Benefit
18-50	£100,000.00	£50,000.00
51-55	£100,000.00	£25,000.00
56-61	£50,000.00	£25,000.00
62-68	£50,000.00	£0

Level 2

Age	Life Cover Benefit	Critical Illness Benefit
18-50	£50,000.00	£25,000.00
51-55	£50,000.00	£12,500.00
56-61	£25,000.00	£12,000.00
62-68	£25,000.00	£0

About Assura Protect & Contact

Since 2007 Assura has been providing life solutions to UK families and businesses. The firm has progressively grown into a specialist player providing insurance cover to thousands of clients annually.

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Important Disclosures

Please consult www.assuraprotect.com for full terms and conditions.

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