

Homeowners Income Protection

Homeowners Income Protection, also known as accident, sickness and unemployment cover (ASU), is an income protection insurance, which means that if you are unable to work for a period, you will receive regular payments to help with paying your mortgage and other outgoings.

This is a short-term income protection policy which is designed to pay you a tax-free benefit in the event that you cannot work due to an accident or illness and/or unemployment through no fault of your own (depending on the cover you have selected). If you purchase unemployment cover, you will also be entitled to cover if you give up work to become a carer for a member of your immediate family.

Payments begin after the qualifying period as specified in your policy documents.

Policy holders must be working for at least 16 hours a week within the UK when they take out the policy and be under 64 years of age and they must have a mortgage offer on a property to live in permanently, in the UK.

You should also fully disclose any illnesses, conditions and medical treatment that you have already undergone when you make your application.

With this type of cover also you must advise the insurer if your circumstances change, particularly if you change address, change your working arrangements or your income changes. Your cover may be invalid if you do not do this.

Your policy contains an Excess Period which reduces the amount of benefit you receive when a claim is paid and means the total benefit you receive will be reduced by the number of months excess you selected.

Your provider may refer to a deferment or waiting period – in both cases this means the period before which your claim will pay out.