

Helpsheet

Term Life Assurance Protection

As the name suggests, term life assurance is for a fixed period of time (e.g. five years, ten years, twenty years or longer). The policy sum assured, the amount paid on death or diagnosis of a qualifying critical illness is set at outset and based on a client's personal circumstances.

It is life assurance at its simplest. Subject to the policyholder maintaining the policy premiums, cover will be maintained until the end of the policy term, however it will never acquire a surrender value.

Disclaimer

This publication has been prepared only as a guide and is not intended as advice. No responsibility can be accepted by Menzies Wealth Management for any loss from acting or refraining from acting as a result of any material in this publication.

It is very important that the policy is set up correctly and that independent advice is sought to check this is the case. If a policy is established incorrectly then the policy sum assured in the event of a claim may be chargeable to inheritance tax and the payment reduced by 40%.

By placing a policy or policies in a simple trust, this can be avoided and payment can be made on production of a death certificate without waiting for probate on the deceased's estate to be granted.

