

Your guide to level and decreasing cover



- Clarify the difference between **level** and **decreasing** cover.
- Choose the most suitable cover type to meet your needs.
- Ensure tailored protection for yourself, your home and your family.

International Protector Middle East



International Protector Middle East is a comprehensive protection plan that offers you financial security in an uncertain world.

Once you've chosen the type of cover you need, you have the option to set it up on a level or a decreasing cover basis, or you may find you need both. For example, you may want to take decreasing cover for your mortgage and a level cover to protect yourself, your family and your lifestyle.

i International Protector Middle East is portable, which means you can take it with you if you ever decide to move. Speak with your financial adviser to ensure you can continue to enjoy consistent and reliable cover in the country you plan to move to.

i If you have an existing plan from another country, you may want to check you are still sufficiently covered whilst living in the United Arab Emirates. Some providers will only offer cover if you reside in specific countries and others have strict criteria regarding the diagnosis of a critical illness.

i If you choose a plan with decreasing cover, your financial adviser should help you align it with the appropriate level of interest. If the interest rate rises above the rate on your plan then any shortfall will be your responsibility.

Meet Mr Kapur

Mr Kapur and his family recently moved to Dubai. His children are in full-time education, he enjoys his job and they want to settle down, invest in a property and enjoy their free time together.

Mr Kapur decides to take out two separate protection plans.

To protect himself and his family's lifestyle, Mr Kapur takes out USD 500,000 in a protection plan with level life or earlier critical illness cover.

By choosing level cover, his family have confidence that should he become ill or suffer an injury, they will receive a fixed cash sum and financial peace of mind.

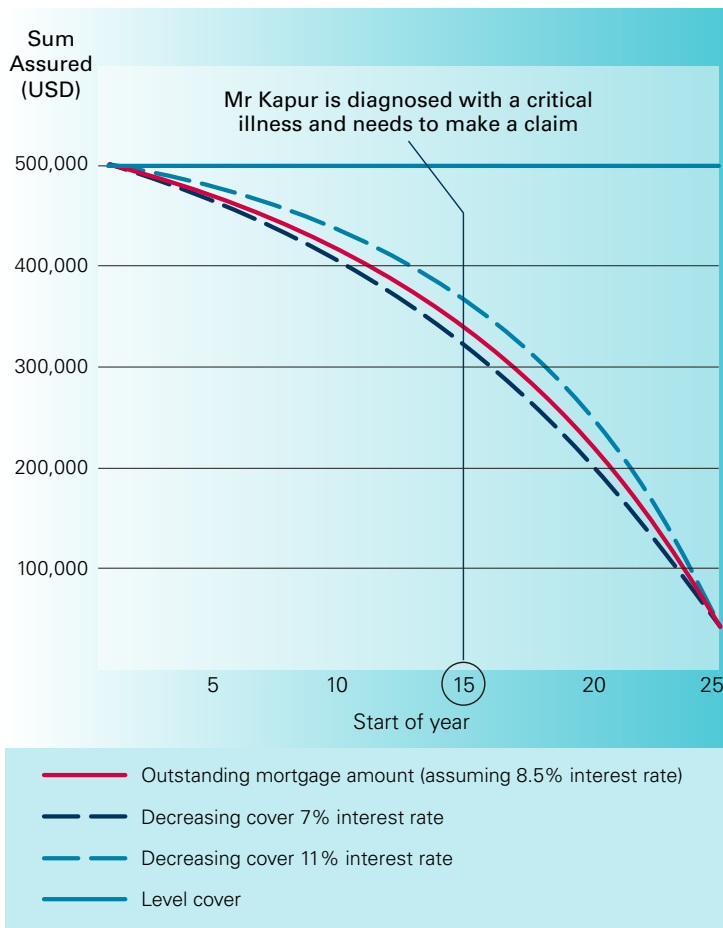
In order to buy his family a home, Mr Kapur takes out a 25 year mortgage of USD 500,000 and protects it with decreasing life or earlier critical illness cover.

By doing so, Mr Kapur can align the amount of cover with the outstanding amount on his mortgage. As a result, will never pay more than he needs to.

Our decreasing cover offers both a 7% and 11% interest rate. Mr Kapur considers both for his mortgage and after guidance from his financial adviser, chooses the 11% option.



How International Protector Middle East supported Mr Kapur and his family



Fifteen years later, Mr Kapur is diagnosed with a critical illness. He claims on his level life or earlier critical illness plan and on his mortgage protection plan, which also has critical illness cover.

Because he chose level cover for his life and life or earlier critical illness cover, Mr Kapur and his family are guaranteed a lump sum payment of USD 500,000, which means that they don't have to worry about financial matters and can concentrate on spending quality time together.

For his mortgage, Mr Kapur chose an 11% interest rate on a decreasing basis and protected it with a life or early critical illness plan. After 15 years, his mortgage would be USD 340,476 and as the graph opposite shows, had he chosen a 7% interest rate, he would have had a shortfall at the time he claimed.

Because he chose an 11% interest rate, Mr Kapur was fully covered at the time he claimed and was able to pay his mortgage cost with complete peace of mind.

i By splitting your protection needs with both level and decreasing cover, like Mr Kapur, you should never pay more than is necessary for complete peace of mind.

Mr Kapur invested in a flexible protection solution meaning he could recuperate without having to worry about his financial obligations. He was able to safe-guard himself, his family and their lifestyle, with a tailor-made plan that gave them the security and peace of mind they needed at an uncertain and difficult time.



Level and decreasing cover at a glance

You might consider level cover if:

- You need a sum assured that remains fixed for the duration of your plan. For example, if you wanted to protect your family or business.
- You have an interest-only or an investment-backed mortgage, where your repayments only cover the interest or are non-standard amounts.
- You need cover for less than five or more than 35 years.
- You are likely to need to make changes to your mortgage or reduce the sum assured during the term of the plan.
- You need stand-alone critical illness cover.

You might consider decreasing cover if:

- You want to protect your mortgage.
- You need a sum assured that decreases to zero over the duration of your plan.
- You want a tailored solution to protect liabilities that reduce over time and are expected to be paid off, in full, by the end of the term.
- You need a reducing lump sum during the accumulation years of a savings or investment plan. For example, wedding, education or retirement planning.

International Protector Middle East offers both level and decreasing cover so you can choose the most suitable protection solution to meet your needs.

Neither option is superior to the other and you may choose one or both depending on your individual circumstances. Speak to your financial adviser today about a tailored plan, term and cover option to protect yourself, your family and your current lifestyle.



An award-winning product

Awarded 'Best Protection Product, Middle East' for the past four years in a row.

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