

More affordable.
More flexible.
More clients.
MortgageSafe.

Protecting your clients' most valuable asset through the cost-of-living crisis



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As the rising cost of living continues to bite hard on incomes around the UK, homeowners – as well as those looking to get on the property ladder – are looking for new ways to reduce their monthly outgoings and regain control over their financial situations.

This year, MetLife has conducted extensive research to explore how people feel about protection, how they would cope with personal financial crises, as well as how their concerns have changed in the past year as the cost-of-living crisis has developed.

We surveyed homeowners, as well as people in the process of taking out a mortgage, to understand their financial situations, and what they'd do if the worst came to the worst.



Worry about personal finances **is growing**



48%

of people said they're concerned about missing their mortgage repayments, up from 37% of people in 2021.

A marked difference. But in this short guide, we explore how MortgageSafe could help your clients as they continue to get stretched financially.

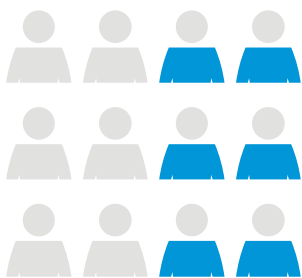
Read on to find out how MortgageSafe could fit into protection packages, and help your clients protect their most valuable assets – **their homes.**

People simply don't know about mortgage protection

It could be that your clients have enough in savings, or would be supported by their employer for a time if they had an accident or were ill and unable to work.



But considering **48%** of people are reliant on sick-pay, and only **28%** would be covered for six months or more; and **57%** would be reliant on savings or investments, despite only **30%** having three-months in savings or more** – there could be an overconfidence in their situations.



The reality is that nearly half of people worry about their mortgage repayments, and **42%** have no savings to fall back on – up from **40%** in 2021.



of people we surveyed would be unable to cover their mortgage repayments for more than two months, leaving nearly three-quarters of people exposed if they weren't earning their usual income.

This presents a key opportunity

Only one in ten people are aware that there are protection policies available specifically for their mortgage repayments.

Policies that could be less expensive than other types of insurance and could help them reduce their outgoings without them feeling they need to cancel their insurances altogether.



People would consider mortgage protection once **they understand it better**

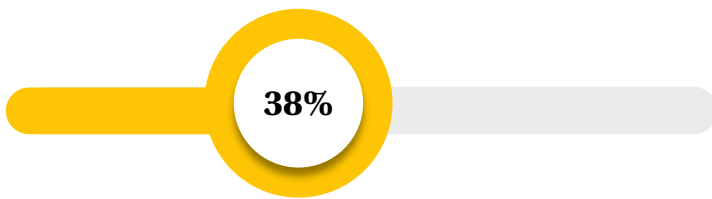
Insurance can be complicated. At MetLife, we design our policies to be easy to understand and simple to apply for, so that from taking out a policy to making a claim, the process is as straightforward as possible for everyone involved.



And that's what your clients are looking for



Our research showed that:



of people **would consider mortgage protection** against having an accident or being too ill to work



of people are **unaware** that such products exist



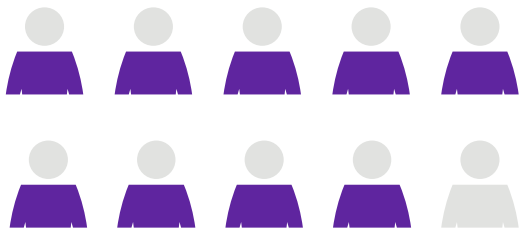
would **need some help** in either being recommended or in taking out a policy

Financial advisers play a crucial role in showing their clients the protection options available to them. Many people will not have come across them before, or there might be wholly new products in the market.



53%

of people would take out protection at least in part due to recommendation by a financial professional, and with 68% of homeowners using a mortgage adviser or independent financial adviser in the homebuying process** – their role is clear.

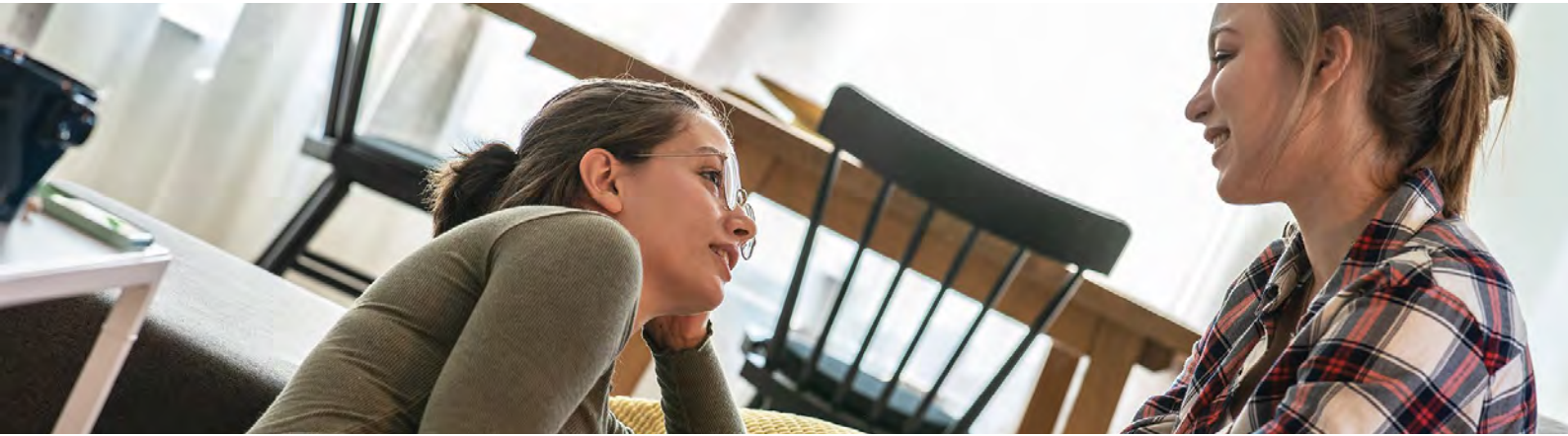


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people found MortgageSafe to be easy to understand, so talking to them about the cover it can provide could be a simple way of meeting a clear need cost-effectively.



Price is a key decision as to whether to take out a protection policy



Protection and insurance is rarely at the top of someone's shopping list when they're buying a property or remortgaging. There's a lot to think about; whether it's calling utilities companies, organising removals, or looking forward to redecorating – there are other things people have to spend their time, energy, and money on beyond insurance.

61%

of people we surveyed said that they didn't have mortgage protection in place because the policies were too expensive, or they simply couldn't afford it. And the rising cost of living is having a real effect too – this is up from 47% from 2021.

But MortgageSafe could well provide a solution. More than one-third of people said that MortgageSafe presented good, or very good value for money.

The different cover levels include:

- accident-only and accident and illness options
- as well as cover for 12- or 24-months on accident and illness policies – which means that the price can flex based on individual needs

And the monthly value protected can vary too –

- up to 110% of the mortgage repayment, to a maximum of £1,500 per month – providing another way of maintaining budgetary control

There are financial challenges for people of all ages; mortgage protection could be part of the solution

For those mortgaging for the first-time, the commitment of mortgage repayments comes with the looming spectre of repossession if payments aren't kept up to date, which can be daunting. Add in rising interest rates and the shock of increasing monthly repayments, providing that peace of mind is more important than ever.



73%

of 18 to 24-year-olds have a mortgage protection policy in place, against an average of 46%.

Traditionally, insurance and protection is sometimes thought of as something younger people think less about than older generations. But things are changing. Younger people are increasingly likely to take out protection policies.



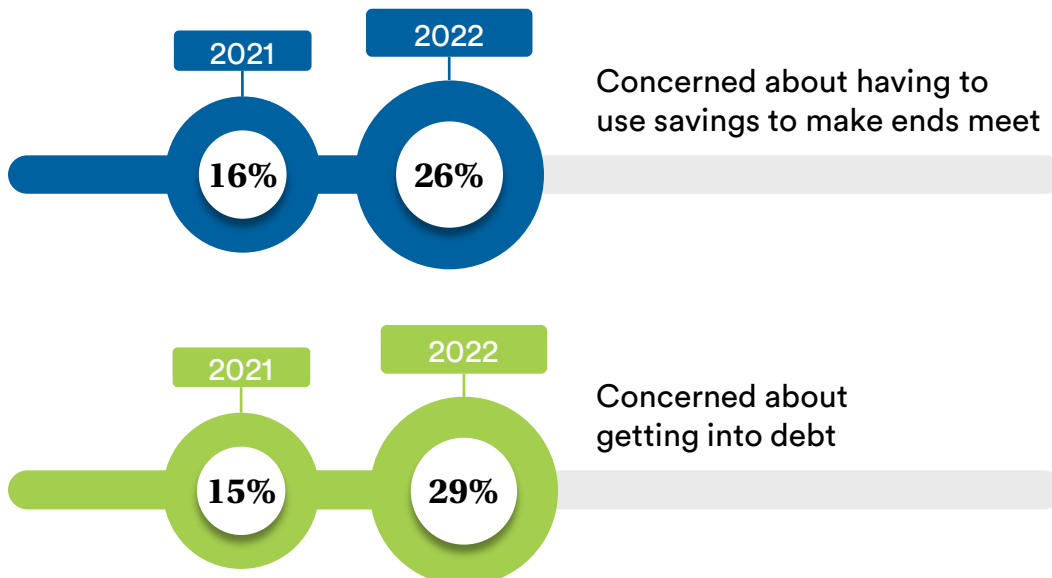
But for those taking out a mortgage later in life, who are perhaps returning to the property market after a separation or divorce and have less to fall back on, the same worries can arise too. And with interest rates continuing to rise, being on the property ladder can be scarier than ever. With many people likely to be paying off their mortgage repayments into their 60s, or perhaps never paying it off at all, the importance of protection at both ends of the spectrum is clear.

MortgageSafe could help...

23%

of people are concerned they won't be able to make their mortgage repayments in the next 12 months – up from just 9% in 2021. This is a huge increase.

People are also concerned about relying on their savings to **cover the cost of living**.



And with 73% of people very or fairly concerned about being unable to work due to an accident or illness**, these worries can compound.



Providing the right mortgage protection policy could provide peace of mind that if a client had an accident or were ill, and they weren't earning their usual salary as a result, their worries around their mortgage repayments could be alleviated.

That's where MortgageSafe comes in.

More than 30% of people thought MortgageSafe would give them the peace of mind that's important to them in a protection policy**. For those who need flexible mortgage protection that's tailored to their needs, MortgageSafe could provide the cost-effective option they're looking for.



To find out more about MortgageSafe, how it works, and how it can form a key part of your clients' protection packages

- speak to our protection team today on **0800 917 2221**
- email **protection@metlife.com**
- or visit **[metlife.co.uk/get-more-with-mortgagesafe](https://www.metlife.co.uk/get-more-with-mortgagesafe)**

*Affordability is dependent on individual circumstances, and MortgageSafe may not provide the cheapest or most affordable option in all cases.

Research conducted by Censuswide, with 2,002 18+ Respondents who have purchased / are in the process of purchasing a property with a mortgage in the UK in August 2022 unless stated otherwise.

**Research conducted by YouGov, with 1,010 20–50-year-olds who own a home through a mortgage or looking to buy one in the next three years and also non-rejecters of personal insurance in May 2022.

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