

Inheritance Guarantee

Canada Life are proud to offer an optional inheritance guarantee, free of charge. This has been designed to give your customers peace of mind.

What is an inheritance guarantee?

An inheritance guarantee is when a percentage of the eventual sale value of your customer's home is protected and is guaranteed to be available to your customer or their beneficiaries in the future. The No Negative Equity Guarantee and the amount that Canada Life will lend are based on the value of the unprotected portion of the property.

Why would I want to add this to my customer's illustration?

If your customer is not releasing the maximum LTV available to them, this is a useful tool to be able to offer. It may be suitable for your customer if:

- they want to leave an inheritance
- they want to gift money to one person, and protect the same amount for others
- they want to reduce the cash reserve facility
- they want to apply for additional borrowing at a later stage

How do I apply for this?

Our inheritance guarantee is easy to add to your customer's KFI. When you log in to the KFI Generator and create a new client, you will be asked if you want to protect a proportion of the equity on the 'New illustration request' page. Here you can choose between 1% and 99%.

Can I change the amount which is protected?

Your customer can reduce the percentage of inheritance guarantee at any stage, free of charge. However, the protected percentage must be added at the outset, and once it's been removed it can't be reinstated.

Which products is this available on?

You can add our inheritance guarantee to any products being secured on a Main Residence. It is not available on products being secured on Second Home or Buy-to-Let properties.

A worked example

- A 69 year old with a property worth £250,000 is able to release £60,000 on our Lifestyle Gold lifetime mortgage.
- He is releasing the money to gift to his daughter, but only requires £30,000 now and is concerned about leaving an inheritance for his grandchildren.
- By protecting 50% of the equity, he can release £30,000 with peace of mind that 50% of the eventual sale value of his home is protected.

Please note, the LTVs used in this example are for indicative purposes only. Please view our current pricing and lending criteria at www.canadalife.co.uk/adviser.

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