

# PROTECTING THOSE YOU CARE ABOUT.

Your family are what matters most to you, so of course you want to help protect them financially. Have you thought about how they'd meet day to day living expenses in the event of your death? Our Family and Personal Income Plan can be a cost effective way to provide a regular monthly benefit for your dependants should the worst happen.

**hyde associates**  
Independent Mortgage Consultants





## WHY MIGHT I NEED THIS COVER?

Your family are the most important people to you and we all want a chance to help maintain the financial security we have worked so hard for.

Some people may purchase life insurance to help ensure that their mortgage is 'paid off' if they become terminally ill or die. However the mortgage isn't usually the only payment you need to make each month. What about all the other day to day costs that a typical family has to meet? Utility bills, food shopping, council tax, car insurance, childcare... the list could go on.

How would your family cope if for example, one parent were to die? Without cover in place, your family may not be able to maintain their standard of living and keep up with their day to day expenses. Ultimately could this lead to them having to move out of the family home?

This is why the Family and Personal Income Plan is worth considering. It can be a cost effective way to provide a regular monthly benefit for your dependants.



## WHAT IS THE FAMILY AND PERSONAL INCOME PLAN?

The plan is designed to help financially protect you and your family in the event of death, terminal illness or critical illness (if chosen).

You can choose either:

- **Life cover** – a monthly benefit could be paid until the end of the policy if you die during the length of the policy. You can have single life cover or joint life cover that will apply to you or you and your partner.

**OR**

- **Life and Critical Illness Cover** – a monthly benefit could be paid until the end of the policy if you die or are diagnosed with a critical illness that meets the definition during the policy term and are eligible to claim.

These both automatically include Terminal Illness Cover at no additional cost.

**Increasing Cover** – If you choose an increasing policy, every year we will give you the option to increase your level of cover (up to a maximum of 10%) in line with the Retail Prices Index (RPI). Your premium will increase by the change in RPI x 1.5 up to a maximum of 15%.

The 1.5 factor takes into account the fact that the likelihood of claiming increases as you get older.

**Flexibility to increase your level of cover** – if your circumstances change, for example if you get married/enter into a registered civil partnership, become a parent or increase your mortgage, you can increase your level of cover without the need to provide further medical evidence (subject to certain conditions).

**Benefits included at no additional cost:**

- **Accidental Death Benefit** – this provides you with cover up to a maximum of £300,000 while your application is being underwritten, for up to 90 days or until we accept, postpone or decline your application.

**Extra benefits offered at additional cost:**

- **Waiver of premium benefit** – you won't have to pay your premiums after 26 weeks if you're too ill or incapacitated, due to sickness or injury, to do your normal job. If you're not in work, we'll use Specified Work Tasks to assess your claim which are walking, climbing, lifting, bending, getting in and out of a car and writing.

**As with all insurance plans, terms and conditions apply.**

**These plans are not savings or investment products and have no cash value unless a valid claim is made.**

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**FOR FURTHER  
INFORMATION, PLEASE  
SPEAK TO YOUR  
FINANCIAL ADVISER**



## WHAT SHOULD YOU CONSIDER WHEN THINKING ABOUT PROTECTING YOUR FAMILY?

You should consider the ongoing expenses that your loved ones could face whilst trying to continue with their everyday lives if you were to die or be diagnosed with one of the specified critical illnesses during the length of the policy (if this cover is chosen).

- It's important to remember that it is not just the main wage earner that you may need to consider.
- What about the work a full time house person does? Who would take over their responsibilities if they were diagnosed with a critical illness or were to die?
- If you or your partner were unable to do the household chores, how much do you think it would cost to employ some help?
  - In 2015 we conducted some research into the amount of time spent on domestic tasks by mums and dads in the home. The value of domestic work undertaken by mums is £29,535 a year and for dads it's £21,601 a year.
  - Friends and family may be there for you but would they have the time and the resources to help?
  - Would the remaining partner be able to afford to pay someone to help, or give up work altogether, to do the domestic work around the home?



## HOW DOES THE FAMILY AND PERSONAL INCOME PLAN DIFFER FROM TRADITIONAL LIFE ASSURANCE?

With traditional life cover, your dependants could receive a lump sum after making a claim. This lump sum could be invested to provide a regular monthly benefit if required.

The Family and Personal Income Plan is set up as a regular monthly benefit plan at outset. It is designed to pay a regular monthly benefit if one of the following happens and you or your loved ones are eligible to claim:

- you die during the length of the policy.
- you're diagnosed with a terminal illness during the length of the policy and have a life expectancy of 12 months or less.
- you're diagnosed with a critical illness that meets the definition during the length of the policy (if this cover is chosen).

This could help your family meet daily living costs and help to maintain their standard of living.



## EXTRA FLEXIBILITY

If a claim is made there is the flexibility for the benefit to be paid as a lump sum instead of a monthly benefit.

## HOW MUCH WILL IT COST ME?

The amount you pay each month, your premium, will depend on the terms of your individual plan.

Premiums are based on your age, family history and other factors such as your health and whether you smoke. Premiums are paid throughout the length of your policy.

## ARE THERE ANY AGE LIMITS?

The plan must end by age 70 for all Family and Personal Income Plan policies.



## FAMILY AND PERSONAL INCOME PLAN – EXAMPLE QUOTATION.

- A non smoker aged 30 years old next birthday can be insured for a benefit of **£1,200 per month** over a period of **25 years**, for a monthly premium of **£9.45**.

If you were to die or are diagnosed with a terminal illness and be eligible to claim, the monthly benefit would be paid from the time of the claim until the end of the term period. As with all insurance policies, terms and conditions apply.

Premiums correct as of 31/05/17 and includes waiver of premium benefit. The cover available to you would be based on your individual circumstances.



## WILL MY DEPENDANTS HAVE TO PAY TAX ON ANY BENEFIT PAID OUT?

No. Under current legislation, benefits should be paid free of income and capital gains tax (this legislation may change in the future). By placing a policy under an appropriate trust should help to ensure that any money paid out from the life policy would not be part of the estate of the person covered, helping to minimise Inheritance Tax. Writing a policy in trust should help to ensure that the money paid out from the life policy can be paid to the right people quickly.

For further information, please speak to your financial adviser.

## HOW LONG WILL THE PLAN LAST?

It's entirely up to you. You can choose between five and 40 years. For example, some people take out the plan to cover the period of time when they have children living at home or in full time education. This helps to ensure that should the worst happen during this time, they have helped to financially provide for their dependants.

**IT REALLY IS WORTHWHILE THINKING ABOUT EXTRA FINANCIAL PROTECTION FOR YOUR FAMILY, OVER AND ABOVE YOUR MORTGAGE.**

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