

Protect your client's changing financial needs

Your advice can help to protect your clients' maintenance payments

When there are children involved in a divorce case it's common to set up a legal agreement for maintenance payments.

But many couples won't have thought about where those payments would come from if the worst happened.

Most parents would want to make sure that their children are well looked after once their divorce is finalised. And any maintenance agreement they have settled will be an important part of their children's welfare.

However, imagine what would happen if the parent making the payments suddenly became seriously ill, or died. The maintenance payments their family relied on could stop.

By recommending that your clients buy some family income benefit, you'll be helping to protect their family if the worst should happen. Adding enough cover to protect these payments would mean that your clients' children won't suffer if the maintenance payer died prematurely, or became critically ill.

Talk to your clients about the value of a fully insured maintenance payments package.



If your client is going through, or has just gone through a divorce, you can help them to protect their changing financial needs.

When a marriage or relationship breaks down a couple will have to reach an agreement on financial matters. This becomes far more complicated when children are involved.

Example

David and Sue have been meeting with their solicitor about their divorce. They have 2 children, Harry aged 4, and Lucy aged 8. The couple have agreed that Sue will have custody of the children and that David will pay £350 maintenance each month to Sue for each child until they both reach 18.

The non-insured option

£700 a month is a significant amount of money that will pay for the care and protection of the children. Without insurance that £700 maintenance payment is at risk if David becomes critically ill or dies.

How you could help

Alongside any other protection needs David and Sue may have, you could protect these maintenance payments by arranging Life or Critical Illness family income benefit on David. If he died prematurely or became critically ill and was unable to make the payment each month, having Life or Critical Illness Cover as an income benefit would make sure the children would continue to be cared for financially.

Maintenance payment for Harry	£350
Maintenance payment for Lucy	£350
Total	£700

The insured option

In our example, just £10.37 each month will give your clients peace of mind, knowing that the maintenance payments would continue to be made to Sue if the worst happened to her ex-husband.

In this example, we have included 2 covers – one to provide for Harry and one for Lucy. Once they both reach 18, their maintenance payments will stop, so each child's payments are for different terms.

Cover to protect Harry

12 x £350 = £4,200 Life or Critical Illness Cover monthly income basis, 14-year term.

£4.68¹

Cover to protect Lucy

12 x £350 = £4,200 Life or Critical Illness Cover monthly income basis, 10-year term.

£3.09¹

Plan charge

£2.60

Each month

£10.37

After 10 years, Lucy reaches 18

By creating individual covers to protect the maintenance payments for each child, the monthly payment amount reduces after 10 years. For the 4 years remaining, David (or Sue if she's taken out cover on a 'life of another' basis) will only have to pay £7.28 because he no longer has to pay maintenance for Lucy. This will save David or Sue £148 over the remaining term of the plan.

Cover to protect Harry

12 x £350 = £4,200 Life or Critical Illness Cover monthly income basis, 14-year term. (4 years remaining)

£4.68¹

Cover no longer needed for Lucy

Plan charge

£2.60

Each month

£7.28

If your client can afford to pay £700 a month maintenance payments can he or she afford not to pay an extra £10.37 a month on protection insurance?

Almost
100,000
children under 16
were affected by
divorce in 2009²

Sources:

¹ Bright Grey, June 2011. Male 30 next birthday. Non-smoker. Life or Critical Illness Cover on reviewable rates.

² National Statistics Online, June 2011.

Family income benefit is a cost-effective way for your clients to protect their child maintenance payments.

And because it's so flexible, it can also be used to maximise other advice opportunities. Take a look at the key benefits of Bright Grey's family income benefit.

- You can choose the income option on Life Cover, Critical Illness Cover, or Life or Critical Illness Cover.
- Life Cover is available as an income on guaranteed rates. Critical Illness Cover and Life or Critical Illness Cover are available as an income only with reviewable rates.
- Each cover can be set up with a different term and amount.
- Family income benefit is available on an increasing and level basis.
- You have the flexibility of commuting to a lump sum at claim stage.
- All our menu plans include our unique Helping Hand service. As soon as your clients take out their plan, they and their families can benefit from access to helplines and advice and support from their own personal nurse adviser. This is all available at no extra cost, and they don't have to make a claim to use it.

Benefits to you

- Adds value to the service you offer your clients: without your help, your clients could be one of the many families in the UK who are under protected.
- Increases your earnings opportunity: adding family income benefit gives your clients better protection and will increase the likelihood of repeat business.

To see just how affordable family income benefit can be for your clients, go online to our quote & apply service, and select 'income' from the drop down menu.



Visit www.brightadviser.co.uk for more information



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