

Family income benefit

Is protecting your client's mortgage enough?

Mortgage protection would mean that your client's house is safe. But what if their family could no longer afford to live in it?

Most people buy insurance to cover the mortgage. But for many clients, the mortgage is only one of the financial commitments they have. Council tax, utility bills, food and childcare costs are just some of the everyday payments people have to make.

And that's without other regular expenses such as meals out, holidays and birthday presents. This is where protection that covers more than the mortgage can really help.

Ask people what they would want for their family if they were to die too soon and most would say:

“I want my family to maintain their current lifestyle.”

“I don't want my partner to be forced out of work to look after the children.”

“I want my family to be able to stay in our current home.”

In other words, people would want their death to have as little financial impact on their family as possible.

So next time you talk to your clients about protection, ask them, if paying off the mortgage would be enough? If their family had to rely on state benefits to cover the bills, could they afford to stay in their home?

My Bank
234 South Street
Anytown

Account number: 009 667 221
Sort code: 345 654

Statement June 2011

| Date | Description / Transaction | Credit | Debits |
|---------|-----------------------------------------|----------------------|----------------------|
| 31 JUNE | SALARY | £2,600.00 | £625.00 ¹ |
| 1 JULY | MORTGAGE REPAYMENT | | £150.00 |
| 1 JULY | COUNCIL TAX | | £50.00 |
| 1 JULY | GAS | | £250.00 |
| 5 JULY | CAR LOAN | | £30.00 |
| 6 JULY | MOBILE PHONE | | £80.00 |
| 10 JULY | TELEPHONE AND SATELLITE TV | | £50.00 |
| 10 JULY | ELECTRICITY | | £300.00 |
| 15 JULY | FOOD | | £130.00 |
| 16 JULY | PETROL | | £55.00 |
| 18 JULY | HOUSE INSURANCE | | £45.00 |
| 20 JULY | CAR INSURANCE | £402.80 ² | |
| 23 JULY | WIDOWED PARENT'S ALLOWANCE ² | £134.80 | |
| 25 JULY | CHILD BENEFIT | | £537.60 |
| 25 JULY | SUBTOTALS | | £1140.00 |
| | TOTAL | | -£602.40 DR |

mortgage - paid ✓
 living expenses &
 other outgoings - ?
 How will I
 manage?

Sources:
 1 Estimated monthly cost of £625 for repayment mortgage of £100,000.
 2 State benefits of a Widowed Parent's Allowance and Child Benefit (2 children). Widowed Parent's Allowance £100.70 each week. Child Benefit £20.30 for first child, £13.40 for second child, payable each week. Calculated as an average monthly payment. Figures from www.direct.gov.uk at 17 June 2011.

1 in 5 Britons say they would have to sell their home if they or their partner, were unable to work because of illness.¹

You can make sure your clients protect their home and have enough money to continue to live in it by recommending family income benefit.

Family income benefit is a cost-effective and straightforward solution that will provide your client's family with a guaranteed amount each month that they can use to pay for their outgoings. A regular income is a lot easier to manage than a lump sum, and means your client doesn't have to worry about bills mounting up or debts spiralling out of control.

This approach will also increase your business revenue and add value to your advice.

The benefits for you:

- **It adds value to the service you offer**
Without your help, your clients could be one of the many families who don't have enough protection.
- **It increases your earnings opportunity**
Recommending family income benefit alongside a lump sum cover not only gives your clients better protection, it also increases your opportunities to earn.
- **It helps you to treat your customers fairly**
Family income benefit shows you are considering your clients' priorities and recommending a protection solution that addresses their needs.

The benefits of the Bright Grey protection solution

Mortgage
£100,000
lump sum

+

Family income
needed
£10,000 a year

1

quote
application
direct debit
plan

=

Cover for home
and outgoings

And the cost of this Bright Grey protection solution

Mortgage
protection
£100,000 lump sum
£7.55 each month

+

Family income
benefit
£10,000 a year
£17.20 each month

1

quote
application
direct debit
plan

=

£27.35²

Remember, we give you 10% extra Lautro commission when you apply online.

To find out more, or to quote and apply online, visit www.brightadviser.co.uk

Sources:

¹ Tickbox.net, April 2010.

² Male, 35 next birthday, female, 30 next birthday, both non-smokers. Decreasing life cover £100,000, family income benefit £10,000 each year, increasing at RPI. Term of plan 25 years. Includes the plan charge of £2.60. Bright Grey, June 2011.