



**That's
Family Finance**

A simple guide to protecting your family

Building a financial wall around your loved ones

PLAIN ENGLISH. NO JARGON.

A straightforward guide to the cover that can help your family keep going financially when life does not go to plan.

Looking after your family

Nobody likes to think about dying, becoming seriously ill or being unable to work. But knowing your family could still pay the bills can bring real peace of mind. Here are the main types of cover, explained simply.

01 Life Insurance

A lump sum if you die during the policy term.

02 Family Income Benefit

Regular income for your family if you die during the term.

03 Critical Illness Cover

A lump sum if you meet the policy definition of a covered illness.

04 Income Protection

Regular income if illness or injury leaves you unable to work.

05 Relevant Life

Employer-funded life cover for an employee or director.

WHAT COMES NEXT

The next five pages explain what each type of cover does, when it may be useful and the important things to know.

Life Insurance

Financial support for your family if you die during the policy term.

IN ONE SENTENCE

Life insurance pays a lump sum if you die while the policy is in place.

How it works

You choose the amount of cover and how long the policy will last. If you die during that time, the insurer pays a lump sum in line with the policy terms. Your family could use it to clear debts and deal with the financial impact of losing you. Level cover stays the same; decreasing cover reduces over time and is often matched to a repayment mortgage.

What the money could help with

- Paying off a mortgage or other debts
- Helping with household costs after your death
- Childcare, education and future plans
- Funeral costs

Worth considering if...

Your partner, children or anyone else could face financial difficulty if you died.

Good to know

This cover pays following death during the policy term. It does not pay a monthly benefit because illness or injury stops you working - that is what income protection is designed for.

WHAT ABOUT A TRUST?

A trust is a legal arrangement that lets chosen trustees look after the policy for your beneficiaries. It can help the payout reach them without waiting for probate and may keep it outside your estate for inheritance-tax purposes. Trusts are not right for everyone and can be difficult to change, so the arrangement must suit your family.

Family Income Benefit

Monthly support to help your family carry on after your death.

IN ONE SENTENCE

Family Income Benefit pays your family monthly payments that are normally tax-free if you die during the policy term.

How it works

You choose the monthly payment and the date you want the cover to end. If you die during the policy term, your family receives monthly payments for the time left, in line with the policy terms. It will often cost less than comparable lump-sum life insurance because the total potential payout reduces as the end date gets closer.

What the money could help with

- Monthly household bills
- Rent or mortgage payments
- Childcare and school costs
- Everyday family spending

Worth considering if...

You want manageable monthly payments for your family. It can also be a useful addition to lump-sum life cover.

Good to know

The later in the policy term you die, the fewer monthly payments your family will receive. It may not provide enough to clear a large debt immediately.

Critical Illness Cover

Financial breathing space when your family needs it most.

IN ONE SENTENCE

Critical illness cover pays a lump sum if you are diagnosed with a covered serious illness and meet the policy's definition.

How it works

Cancer, heart attack and stroke are commonly covered, along with a wider list of conditions. The money gives you choices - whether that means taking time away from work, paying the mortgage or focusing on getting better. Some policies can also include cover for children.

What the money could help with

- Mortgage or debt repayments
- Time away from work for you or your partner
- Private treatment or rehabilitation
- Home adaptations and extra childcare

Worth considering if...

A serious diagnosis would make it harder for your family to pay the bills or manage day-to-day life.

Good to know

It does not cover every illness or diagnosis. The insurer will use the exact medical definition shown in the policy.

Income Protection

Helping you keep paying the bills when you cannot work.

IN ONE SENTENCE

Income protection pays you a regular income if illness or injury leaves you unable to work and you meet the policy's definition.

How it works

Think of it as your own personal sick pay. You choose how much cover you need, how long you can wait before payments start and how long a claim can continue. It can be suitable for employees, the self-employed and business owners.

What the money could help with

- Mortgage, rent and utility bills
- Food and everyday family costs
- Keeping up essential commitments
- Avoiding the need to drain your savings

Worth considering if...

Your sick pay would run out, you are self-employed, or your family depends on the money you earn each month.

Good to know

It does not cover redundancy. Payments are normally limited to part of your earnings, and the insurer will assess whether you meet the policy's definition.

Relevant Life Cover

Life cover for your family, paid for through the business.

IN ONE SENTENCE

Relevant Life Cover is employer-paid life insurance that can pay a lump sum if the insured employee or director dies during the policy term.

How it works

A business arranges the policy and pays the premiums for an eligible employee or director. The policy is normally placed in trust so that the money can go to the employee's chosen beneficiaries after death.

What the money could help with

- Giving loved ones a financial safety net
- Providing a valued employee benefit
- Cover outside a registered group scheme
- Helping small-company directors protect family

Worth considering if...

You run a limited company and would like the business to provide life cover for you or an eligible employee.

Good to know

Relevant Life policies normally cannot include critical illness cover. Any tax benefit depends on HMRC rules and the circumstances of the business.

What would your family need if life changed?

Every family is different. Start by thinking about what would need paying, who depends on you and how long they would need support. Review your cover periodically and whenever life changes - for example after moving home, having a child, changing jobs or taking on new borrowing.

01 Who depends on your income or unpaid care?

02 Which bills and debts would still need paying?

03 How much sick pay and savings could you rely on?

04 How long would financial support be needed?

05 What cover do you already have through work?

COVER SHOULD KEEP UP WITH YOUR LIFE

A plan that suited you a few years ago may no longer match your mortgage, income or family responsibilities. A regular review helps uncover gaps or cover you no longer need.

The risk of doing it yourself

Buying a policy online can look simple. The difficult part is making sure the different policies work together and protect your family in the way you expect.

THE WRONG TYPE OF COVER

A lump sum, monthly family payments and income while you cannot work each solve different problems.

TOO MUCH OR TOO LITTLE

Without working through your needs, it is easy to leave a shortfall or pay for cover that adds little value.

DEFINITIONS AND OPTIONS

Waiting periods, claim periods, illness definitions and policy extras can make similar-looking plans very different.

GAPS OR OVERLAPS

Existing policies, workplace benefits and savings should be considered together rather than in isolation.

TRUSTS AND BENEFICIARIES

The right ownership and trust arrangement can affect who receives life-cover money and how quickly it reaches them.

REPLACING EXISTING COVER

Cancelling an old policy before replacement cover is fully in place could leave your family unprotected.

READY TO CHECK YOUR FAMILY'S COVER?

[CLICK HERE FOR A FREE PROTECTION REVIEW](#)[CLICK HERE FOR A FREE TRUST REVIEW](#)

Want to talk it through?

A quick conversation can help you understand where to start.

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