



Help protect your family with the
Family and Personal Income Plan



Family and Personal Income Plan from Legal & General

Why do I need this cover?

Your family are the most important people to you and we all want a chance to 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 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 the appropriate cover, your family may not be able to maintain their standard of living and keep up with their day to day expenses. Ultimately this could lead to them having to move out of the family home.

This is why the Family and Personal Income Plan is ideal. It is a cost effective way to provide a regular monthly benefit for your dependants, if you were to die during the term of the plan.

What should you consider when thinking about protecting your family?

You should consider the ongoing expenses that your loved ones will face trying to continue with their everyday life if you were to die or are diagnosed with a terminal or specified critical illness.

- **It's important to remember that it is not just the main wage earner that you need to consider when working out the right level of cover.**
- **What about the work a full time house person does? How would you replace them if they fell critically ill 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 2009 we conducted some research into the amount of time spent on domestic tasks by women and men in the home. The value of domestic work undertaken by women is £32,812 a year and for men it's £23,296 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 and family be financially secure enough to hire a third party or work part time?

How does the Family and Personal Income Plan differ from traditional life assurance?

With traditional life cover, you or 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 allows you to provide your loved ones with a regular monthly amount if one of the following happens during the policy term and you are eligible to claim:

- you die, or
- you are diagnosed with a terminal or critical illness that meets the definition (if cover is chosen).

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

Extra flexibility

If at the time of a claim you or your dependants prefer to receive the benefit as a lump sum, there is the flexibility to choose this option at that time. However, if you do opt for a lump sum you will be paid less money than if you opt for monthly installments.

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, gender and other factors such as your health and whether you smoke. They are paid throughout the term of your policy.

Are there any age limits?

There are some limits on age. The plan must end by age 70 if you choose to take out only life cover alone, or by age 65 if critical illness cover is chosen.

Example of what the value for money Family and Personal Income Plan provides:

- A male non smoker aged 30 years old next birthday can be insured for a benefit of **£1,200 per month** over a period of **18 years**, for a monthly premium of **£10.15**.
- A female non smoker aged 30 years old next birthday can be insured for a benefit of **£1,200 per month** over a period of **18 years**, for a monthly premium of **£8.09**.

If either of the above were to die or be diagnosed with a terminal illness and were eligible to claim, the monthly benefit would be paid from the time of the claim until the end of the term period.

Premiums correct as of 02/09/09 and includes waiver of premium benefit. The cover available to you would be based on your individual circumstances.

What benefits can I get with the Family and Personal Income Plan?

The plan is designed to provide you with a number of options (which need to be selected at outset) that allow you to tailor the plan to suit your own needs.

- **Life cover** – a monthly benefit in the event of your death during the term. You can have single life cover or joint life cover that will apply to you or you and your partner.
- **Terminal illness cover** – a monthly benefit if you are diagnosed with a terminal illness (where life expectancy is less than 12 months) during the policy term and eligible to claim. This is not available during the last 18 months of the policy.
- **Critical illness cover (if chosen)** – a monthly benefit if you are diagnosed with a critical illness that meets the definition during the policy term and are eligible to claim.
- **Option to index link your life cover** – the amount of monthly benefit you will receive (in the event of a claim) and the premiums you make to us will increase in line with the Retail Prices Index each year.

- **Waiver of premium benefit** – this benefit means that you do not have to pay your premiums after a period of 26 weeks due to incapacity as a result of illness or accident that stops you from working for six months or more (subject to certain conditions). Although you must continue to pay premiums at first, after 26 weeks incapacity, we will waive your premiums. If you are not in gainful employment, you do not have to pay your premiums after 26 weeks if you suffer an illness or accident that stops you performing three or more functional assessment tests.

Plus, you get all these additional benefits at no extra cost:

- **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).
- **A confidential 24 hour helpline for you and your family** – if a claim needs to be made on your policy, we offer a help and advice service provided by qualified counsellors.



For further information, please speak to your financial adviser.

Will my dependants have to pay tax on any benefit paid out?

No. Under current legislation, benefits will be paid free of income and capital gains tax (this legislation may change in the future). Inheritance tax may need to be paid if a claim is made on death. However you may be able to avoid inheritance tax by using an appropriate trust. Writing a policy in trust may help to ensure the correct people get the right amount of money at the right time should death occur.



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, their dependants will be provided for financially.

How can I find out more?

Please ask your financial adviser for a key features document which will provide further information on the Family and Personal Income Plan and what is and is not covered.

As with all insurance policies there are limitations which your financial adviser will be able to discuss with you. For example life insurance plans are not investment products and have no cash in value at anytime.

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It really is worthwhile thinking about extra financial protection for your family, over and above your mortgage.

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