

Sharing the benefits  
of healthy living

Vitality

# Family Income Cover.

Health insurance • Life insurance • Car insurance • Investments

# Looking after your family's living costs if something happens to you.

**If you died or became seriously ill, your family's financial situation would change significantly and they will probably face a drop in income and might have short-term expenses to pay.**

You might have Life Cover to pay off the mortgage but the average family's mortgage makes up 18% of their monthly spend<sup>1</sup>. The rest goes on other living costs - anything from food, council tax and credit card bills to music lessons for the children. As well as a home to live in, your family needs an income to meet their monthly living costs or to maintain their standard of living. Family Income Cover helps you look after your family's living costs if something happens to you.

It can be taken out alongside Life Cover, Serious Illness Cover or Income Protection Cover. There are two levels of cover to choose from, Family Income Cover or Family Income Cover Plus.

## Here's how Family Income Cover Plus helps

### ✔ If something happens to you, we'll pay your family an income

If you die or become seriously ill, Family Income Cover pays your family a guaranteed monthly income. This monthly income can help your family make up for any income they lose and it can make it easier for them to maintain their standard of living.

### ✔ If you choose Family Income Cover Plus we'll also pay your family's bills in the first year

The first year after a death or an illness can be the hardest. Your family will be faced with a lot of stress and difficult decisions.

If you take out Family Income Cover Plus, as well as paying your family a monthly income, we'll also pay their bills for the first twelve months. This is called Spend Protector. The amount we pay on their bills could be as much as the monthly income they receive, so your family could receive up to double in the first year. It means they won't have to make any quick decisions about their future and they won't need to worry about any household expenses that come along such as utilities, mortgage/rent and insurance.




## Weekly expenditure of an average family


Category	£ per week
Transport	£81.60
Recreation and culture	£74.80
Housing, fuel and power	£83.00
Food and non-alcoholic drinks	£63.70
Restaurants and hotels	£52.90
Miscellaneous goods and services	£45.70
Household goods and services	£36.50
Clothing and footwear	£ 23.40
Communication	£21.40
Alcoholic drinks, tobacco and narcotics	£12.90
Education	£4.50
Health	£8.20
<b>Expenditure</b>	<b>£508.60</b>
<b>Other Expenditure Items</b>	<b>£79.30</b>
<b>Total Expenditure</b>	<b>£587.90</b>


Totals based on financial year ending 2019 figures and may not add up to the independent rounding of component COICOP categories.


Source: <sup>1</sup>Family spending in the UK: financial year ending 2020.

## More ways that Family Income Cover can help

-  **We'll also pay up to £2,000 towards funeral costs**

We'll pay your family a lump sum towards funeral costs. If you have Family Income Cover, we'll pay £1,000 or if you have Family Income Cover Plus we'll pay £2,000.
-  **We pay for a Guaranteed Minimum Period of up to ten years**

Our Family Income Cover is different. We pay you for a Guaranteed Minimum Period, in case you need to claim later in your term. When you first take out your cover, you choose how long you want this Guaranteed Minimum Period to be. It can be as long as ten years.
-  **You can increase your cover in line with rising living costs**

Due to inflation, your family might need more money in the future to cover their expenses than they do today. To protect you against this, you can choose to increase your cover in line with inflation.
-  **You can increase your cover as your needs change**

Our Guaranteed Insurability Benefit means you can increase your cover without having to give us any more information about your health. If you've got a Personal Protection Plan, we'll give you this benefit if you get married, have a child, increase or take out a new mortgage.

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## Choosing the right level of cover

You can choose between our Family Income Cover and Family Income Cover Plus. The table below shows what's included.

Benefits	Family Income Cover	Family Income Cover Plus
A regular monthly income for your family	Yes	Yes
Lump sum towards funeral costs	£1,000	£2,000
Your family's bills paid in the first year	No	Yes - the amount we pay on bills could be as much as the monthly income received
Paid for a Guaranteed Minimum Period	Yes - up to 10 years, with a minimum of 1 year	Yes - up to 10 years, with minimum of 2 years
Cover that can rise in line with living costs	Yes	Yes
Guaranteed Insurability Benefit for Personal Protection Plans	Yes	Yes
Number of conditions covered for Serious Illness Cover	153	182

## Severity levels

The fixed period of time for which we pay you the benefit will depend on how severe your illness is – based on a scale from levels A to G.

Severity level	Benefit payment term
<b>A</b> (most severe)	100% of the longer of: <ul style="list-style-type: none"><li>• From date of diagnosis until the Family Income Cover date of expiry; and</li><li>• Guaranteed Minimum Period</li></ul>
<b>B</b>	75% of the longer of: <ul style="list-style-type: none"><li>• From date of diagnosis until the Family Income Cover date of expiry; and</li><li>• Guaranteed Minimum Period</li></ul>
<b>C</b>	50% of the longer of: <ul style="list-style-type: none"><li>• From date of diagnosis until the Family Income Cover date of expiry; and</li><li>• Guaranteed Minimum Period</li></ul>
<b>D</b>	25% of the longer of: <ul style="list-style-type: none"><li>• From date of diagnosis until the Family Income Cover date of expiry; and</li><li>• Guaranteed Minimum Period</li></ul>
<b>E</b>	15% of the longer of: <ul style="list-style-type: none"><li>• From date of diagnosis until the Family Income Cover date of expiry; and</li><li>• Guaranteed Minimum Period</li></ul>
<b>F</b>	10% of the longer of: <ul style="list-style-type: none"><li>• From date of diagnosis until the Family Income Cover date of expiry; and</li><li>• Guaranteed Minimum Period</li></ul>
<b>G</b> (least severe)	5% of the longer of: <ul style="list-style-type: none"><li>• From date of diagnosis until the Family Income Cover date of expiry; and</li><li>• Guaranteed Minimum Period</li></ul>

### Find out more.

To more information please speak to your adviser  
or visit our website [vitality.co.uk/life](https://www.vitality.co.uk/life)