



**ASCENTIA**  
MORTGAGE SOLUTIONS

## Family Income Benefit

Family income benefit is a type of life insurance. Policies run for a set period of time. If you die within this period, the policy will pay out a regular tax-free income until the end of the term.

Cover is only for as long as the policy runs so when the term ends the cover and any income payments will stop. It is known as a decreasing-term life insurance because the total pay-out decreases over time: if you die in the early years of the policy the total-pay-out will be higher than if you die nearer the end of the policy.

This policy is generally cheaper than typical life insurance and is an easy way to provide for your family with an income rather than a lump sum if you die.

If the cover is for the main income earner of the family, their income may need to be replaced. If it is to ensure your family has an everyday income, you need to work out how much they are likely to need.

Premiums are based on the amount of cover and how long you want it for, your health, your lifestyle and your age. You can opt for a level income, or pay more for an income that rises by a set amount each year.

This policy should not be taken out to cover your mortgage or debts, but it is worth considering if you want to make sure your family receives an income for a given time if you or your partner die.