

Financial Foundations

Protect and preserve your clients' wealth



How can Financial Foundations protect my clients?

By selecting from the range of menu based protection options within the product (see overleaf). It can also be used to help pass on a client's wealth, by placing the proceeds under Trust for selected recipients.

How can Financial Foundations preserve my clients' wealth?

This can be achieved by placing the policy in Trust. Where both life cover and critical illness or income protection benefits are selected together, there is the option to write the policy on a split trust basis. This means for example, that a lump sum is paid to the insured following a critical illness claim, whilst the death benefit can be passed to the beneficiaries of the Trust by Trustees.

Why should I recommend Financial Foundations to my clients?

It keeps all of their protection cover in one policy with only one policy fee, regardless of how many benefits are chosen. Benefits (and lives assured) can also be added or removed, and insured amounts can be increased or decreased whenever needed (in some instances subject to underwriting). This ensures a long term relationship with your client as you monitor their protection and wealth preservation needs.

This flexible ability to cope with a client's changing needs within one plan brings with it not only ease of administration, but also reassurance to your clients, brought about by the familiarity of dealing with just one product and provider.

Which of my clients would Financial Foundations best suit?

Financial Foundations could be ideal for clients who are at or nearing retirement. It can provide the right money, payable to the right people, at the right time.

What are the benefits to you?

UK based financial adviser support team – speak to our highly trained and experienced team to answer any queries, provide quotes and further product information.

Convenience – for you as your client will have all their protection and wealth preservation needs covered by one product from one provider.

Free tele-interviewing – reduces the time you spend completing the application form and processing times thereafter (for you and your client). This also reduces risk of non-disclosure and leaves more time for you to spend securing business.

Commission - two year indemnity period plus renewal at month 25.

Indicative terms – for an idea on the possible terms without having to complete a full application form.

What are the product benefits?

Payment flexibility – single premium, regular premiums, premium holidays, waiver of premiums.

Adaptable cover – you can select the amount and number of cover benefits each of your clients require.

IHT planning – can be used to help mitigate inheritance tax when written under Trust.

Guaranteed Insurability Options – including salary increase, IHT liability*, mortgage increase, marriage/civil partnership.

Continuation clauses – including divorce and joint life first death**.

Sum assured limits – £10 million for level life cover, £4 million with indexation and £2.5 million for level critical health cover, £1 million with indexation (higher limits considered on a case by case basis).

*If policy is initially set up (i.e. in Trust) to cover prospective IHT liability.

**Life cover and prepayment critical illness (if relevant) can be 'added back' for the non-claiming life assured without the need for further health evidence.

Cover options

Life cover (including terminal illness)

- Pays an agreed tax-free lump sum on death or upon contracting a terminal illness.
- Single life, joint life first death or joint life second death.
- Can be written under Trust.

Critical illness cover

- Pays a tax-free lump sum if one of a range of illnesses is contracted. Please refer to the critical health options booklet (L2925) for details.

Permanent disability benefit

- Pays a tax-free lump sum if one of the following conditions occur: Blindness, deafness, loss of limbs or speech, paralysis or failure to perform at least three of the following: Hearing, speech, standing, vision, walking or using a pen, pencil or keyboard.

Innovative Elderly Care cover

- Pays a tax-free lump sum upon diagnosis of one of the following conditions: Alzheimer's, motor neurone disease or Parkinson's disease, or failure to perform at least three of the following: continence, dressing, feeding, mobility or using the toilet.

Income protection cover

- Pays a tax-free monthly income if an accident or illness prevents work after a specified period. 'Own occupation' definition throughout claim for occupation classes 1 and 2 (class 3 own occupation for first 2 years of a claim then suitable occupation thereafter).

Waiver of premium cover

- Pays the premium if your client is unable to work due to accident or illness. Deferred period 6 months (or the income protection deferred period if selected).

Premium options

- Minimum premium is £20 per month or £200 a year.
Minimum single premium is £1,000.

- If just income protection is taken, minimum premium is £10 per month or £100 per annum.
- Level benefits or benefits increasing in line with RPI can be chosen. RPI increasing cover will mean RPI increasing premiums. Level benefits can have level premiums or premiums increasing at a set percentage between 1% and 20% per annum (you can design a low-start plan to meet client needs).

Please note – plan reviews will affect premiums – see Key Features for more details.

- Unlimited premium holidays can be taken provided monthly risk premiums and charges can be met from the benefit fund (Policy guarantee will no longer apply).
- Pre-funding is available to avoid the need to pay premiums in retirement.

Quotes and further information

Compare our life or income protection premiums on The Exchange or Weblines.

- www.lincoln-ifa.co.uk (registration required).
To quote for the full range of menu options.
- **0845 075 3535**
For quotes or further information.

This aid is intended only for professional financial advisers and should not be used or relied upon by private investors or any other persons.

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