

Creating Control and Certainty: Personal Insurance

Nobody plans to get sick or injured, but the unfortunate reality is that it isn't always possible to prevent these things from happening in our lives.

If you were to fall ill, become injured or suffer a premature death, having a tailored protection program in place will provide the **Control, Certainty and Comfort** to ensure that you can continue to meet your commitments and provide for those that matter most; yourself and your family...

As a specialist risk adviser we are **passionate** about ensuring that in the event of death, critical illness or disability our clients have the ability to focus on their family first; and not their finances; **ultimately we want our clients to be secure in the knowledge that properly considered plans are in place.**

“ *When you have financial commitments and people who depend on you, a lot rests on your shoulders.* ”

When advising clients in relation to their personal protection needs, there are three key principles which are carefully considered:



SECURE YOUR INCOME

Your ability to earn or provide an income is your biggest asset; There are two specific situations where you need to secure an ongoing income:

- In the event of a disability; either temporary or permanent
- In the event of your death to provide income for your dependents



SECURE YOUR FAMILY HOME AND THE REPAYMENT OF DEBT

The debt on your family home is bad debt; it has no deductibility or tax efficiency and for most, account for between 25-40% of your income. Repayment of other debt like credit cards, investment or business debt is also important.



SECURE MEDICAL AND CAPITAL COSTS

Falling ill for an extended period, or being diagnosed with a critical illness is traumatic and it often brings with it expensive medical bills. Trauma insurance can assist with paying for these medical costs and access to your preferred level of care. It can also replace foregone income or allow a family member to care for you.

PERSONAL INSURANCE ADVICE PROCESS

EXPLAIN & EDUCATE

As facilitators we invest the time to make sure you understand the key issues before moving forward.

DISCOVER & ACCUMULATE

Our audit process allows us to obtain the information required in a timely fashion.

IDENTIFY & CLARIFY

Using our discovery checklist we will quickly identify and clarify what needs to be done.

PRESENT & PREPARE

We will present you with an easy to understand report on the issues identified along with a plan of action.

IMPLEMENT & INITIATE

As facilitators we will coordinate the implementation of your plan and initiate what needs to be done with the relevant professionals.

EXPLAIN & EDUCATE

Once our plan is in place we will review it with you to confirm your understanding and make sure it meets your objectives.

A Properly Considered Plan

Practical example of Focusing on your Family First and not Finances

Brian works full time as a construction manager with a well known building company. At age 45 he's done well in his career and enjoys an income of \$150,000 and a comfortable life with his wife Kaye and their two primary school aged children.

With monthly commitments of \$4,000 mth for his mortgage of \$600,000, plus school fees and other lifestyle commitments a lot rests on Brian's shoulders to continue to provide an income.

Losing the ability to work TEMPORARILY

Unfortunately, due to his love of the outdoors and many hours spent in the sun, Brian is diagnosed with a malignant melanoma that has shown signs of spreading. This results him in having to seek immediate treatment and to resign from his work. Brian has just lost his biggest asset – his ability to provide an income for him and his family.

Securing an income

Fortunately though, Brian and Kaye had taken the time to invest in a properly considered Personal Protection Plan for their family. Consequently after an initial waiting period of 30 days had elapsed a monthly income of \$9,375 began to be paid to Brian; replacing 75% of his income, potentially continuing until he turned age 65.

Losing the ability to work PERMANANTLY

After 6 months of treatment Brian had to face the fact that whilst there was progress treating the tumours it was unlikely that he would be able to return to work. Consequently his treating doctor's assessed him to be permanently disabled.

Securing the family home

As part of his protection program Brian had also agreed to implement Total Disability insurance for an amount equal to his mortgage of \$600,000. This was to ensure that he could provide the certainty to his family of somewhere to live in the event of such an incident.

Now, after being relieved of his mortgage payment burden; and combined with his income protection benefits of \$9,375/mth Brian and Kaye have a personal Cash Flow

position similar to what he had prior to the diagnosis; Brian can concentrate on getting as well as possible without being under financial strain.

In the event of DEATH

Some time later after a period of 5 years Brian's cancer reemerges and he quickly passes away. His death is a tragedy for his family, especially Kaye who now needs to provide an income to support herself and the children. She had not returned to work since Brian had become unwell.

Securing ongoing family income

Fortunately as part of the personal protection program implemented years earlier Life coverage for an amount of \$2,000,000 was in place. On receipt of these funds Kaye was able, with the assistance of her trusted advisers, to invest in a secure portfolio of assets that produced a 5% per annum return, or \$100,000 per year.

This provided the ability to continue to meet her families expenses, school fees and lifestyle expenses and provided her the control and comfort that was needed at a difficult time.



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