

LIFE INSURANCE FOR PROFESSIONALS

CASE STUDIES

What if a serious illness or injury stopped you and your high-earning career in your tracks? What if you could never work in your profession again – or even work at all? How would your family cope financially if you weren't around anymore?

Like house or car insurance, life insurance is something you have to have but hope you never need. Getting comprehensive life insurance cover, via an experienced financial adviser, is one of the smartest things you'll ever do – and will give you one of the most valuable assets you'll ever own.



HOW THE TYPES OF LIFE INSURANCE WORK

CASE STUDY: LISA

Lisa is 33 and a junior partner in a city dental practice. Outside of work her main passion is netball, in which she is club captain of her district team. Although young, fit and single at the time, two years ago she'd decided to get her financial life in order by consulting an adviser. As well as designing a long-term investment plan, her financial adviser also encouraged Lisa to take out life insurance, including trauma cover, in case she got sick or injured.

One Thursday evening as Lisa and the team were on the netball court warming up for the weekly game, she blacked out and collapsed. When she woke up in hospital she was stunned to be told that she had suffered a stroke – something she'd thought only happened to older or high risk individuals.

As soon as her condition was diagnosed, her adviser began the claim process for her and arranged payment of the \$200,000 lump sum trauma amount from the insurer. Lisa eventually made a full recovery, although she was off work for three months and remains on ongoing medication. She used the money to fund her hospital expenses, and paid off a chunk of the home loan on her apartment. She and her boyfriend also took a three week holiday of a lifetime before she returned to work and resumed her career.



CASE STUDY: PHILLIP

Married with teenage sons at a private school, Phillip is a 52-year-old electrical engineer and Asia-Pacific technical head of a European company that designs and constructs data centres around the world. His work was lucrative but very challenging, with long hours, incessant air travel and demanding deadlines.

Gradually Phillip began to suffer symptoms of stress, anxiety and depression. After much urging from his family, and at a point where he felt he could no longer function at work, he sought medical help and was diagnosed with severe clinical depression. His treating specialist advised him to take leave from work indefinitely.

Although his employer was sympathetic, Phillip learned he was only entitled to two months' sick pay. Fortunately he was able to claim on an income protection insurance policy his financial adviser had arranged for him five years earlier, and which now paid him an **ongoing monthly amount equating to 75% of his salary**. With just a little belt tightening, Phillip and his family were free of day-to-day financial worries, eliminating the added element of stress that might have had even more dire consequences for Phillip's mental health.



CASE STUDY: NICOLE AND JON

Nicole was a 42-year-old chief accountant at a large manufacturing company, with two children aged 5 and 7. Her social worker husband, Jon, was taking a career break to attend university and was working only a few hours a week so he could be the children's main carer.

A friend at work recommended she and Jon consult a financial adviser, who helped them realise how much was now riding on Nicole's health. Their adviser arranged a full insurance protection plan including \$750,000 of life cover, and income protection in case Nicole was ever temporarily unable to work.

Two years later Nicole went home early from work with a bad headache, thinking she might be getting the flu. Later that day she lost consciousness and was rushed to hospital. She'd had a brain haemorrhage, and died that evening without regaining consciousness.

The funds from Nicole's life policy meant that Jon could **pay off their home loan and employ a part-time nanny to make sure the children's lives were disrupted as little as possible**. With their financial adviser's guidance he invested the remainder of the insurance payout in a savings plan to fund the children's private high school education, as had always been his and Nicole's intention.



THE TYPES OF LIFE INSURANCE COVER

1. IF YOU SUFFER A SERIOUS ILLNESS OR INJURY

Income Protection: pays an ongoing monthly amount to help replace your income.

Trauma Cover: pays a one-off lump sum if you suffer a serious medical condition such as cancer or heart attack.

Business Expenses: pays business owners an ongoing monthly amount to cover fixed business expenses such as rent, staff wages and other overheads.



2. IF YOU DIE OR SUFFER AN ILLNESS OR INJURY THAT LEAVES YOU TOTALLY AND PERMANENTLY DISABLED

Total and Permanent Disability cover: provides a lump sum payment if you become totally and permanently disabled and can't return to work.

Life Cover: pays a lump sum to your estate if you die or become terminally ill.

WHAT NEXT?

It's time to set aside the misconceptions about life insurance and clear the hurdles standing in your way.

If you'd like to take the first steps towards getting the peace of mind a financial protection plan provides, please drop me a line or give me a call for an initial, no-obligation chat about how I can help.

Bentleys Wealth

Email wealthservice@bris.bentleys.com.au

Phone 07 3222 9777

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