

We believe that having a policy that is flexible enough to work for life means your client can get on with the most important thing... living.

- **Client** – Andrew and Gemma
- **Age** – Mid 40s
- **Status** – Married for 18 years
- **Children** – 4 (Aged 5-15)
- **Combined salary** – USD130,000
- **His job** – Chemist (USD100,000)
- **Her job** – Part time secretary (USD30,000)
- **Location** – Pacific Rim

Andrew needs:

- Whole of life cover (USD1 million) to pay off any education expenses, the mortgage and outstanding loans, and to leave a lump sum for the family
- Critical illness cover to offset loss of salary and any medical treatment
- Total and Permanent Disability cover to satisfy lending requirements by mortgage lender
- Long-term care so he can be cared for should it be needed.

Gemma needs:

- Term life cover (USD300,000) for loss of salary and other income
- Critical illness cover (USD300,000) for medical treatment and nanny for day to day care of children on a term basis
- Long-term care so she can be cared for should it be needed.

Their needs:

- 2 separate life and critical illness policies for each of them
- Single monthly payment
- USD1.3million in life cover
- USD750,000 in critical illness cover

Andrew and Gemma enjoy life and love spending quality time together, but they've reached the point where they've realised their family may not be adequately cared for should life serve up something unexpected.

A Joint Life Both Death policy would allow the family to have one single monthly payment, yet fulfil all their protection needs.

In Andrew's case, the cost of such a large amount of life and critical illness cover can be substantial. High levels of whole of life cover may be unnecessary, particularly if debts are for specific time periods. LifePlan allows a client to use term related cover to reduce the cost so, if the client needs cover for mortgages or loans that he expects to pay off, term cover can provide a solution.

In Andrew's case, he needs the highest level of cover for 20-25 years, but less after his mortgage ends and his children finish university. He can split out his life and critical illness cover between term and whole of life based on those financial needs.

For Gemma, as she only needs cover while she works, this can also be tailored to expire at her retirement. Therefore, a term product based on 10 times annual salary could be appropriate.

This allows Andrew and Gemma the ability to tailor their policy so it always keeps up with their financial needs and doesn't overwhelm the family finances. It allows for more appropriate long-term and continuous financial planning. It means they can keep a close eye on their finances.

Including the right combination of life and critical illness cover in the financial planning process? Game, set and match.

Important notes

For financial advisers only. Not to be distributed to, nor relied on by, retail clients.

Serve up protection for the family