

Always being there for the kids means more than just teaching them to swim...

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** – Sanjay
- **Age** – Late 50s
- **Status** – Married for 29 years
- **Children** – 3 and 1 grandchild
- **Salary** – USD200,000
- **His job** – Investment Manager
- **Location** – Malaysia (Kuala Lumpur)

Needs:

- A policy for his grandchild
- A policy that can be indexed
- A policy that can be paid for over 20 years

Sanjay has been recently blessed with a grandson. He has decided that he wants to set up a policy for his grandson that he can pay for over 20 years, and that would grow over his grandson's life time.

When setting up a LifePlan, we do not require medical testing for children and the policy can be set up with a maximum of USD150,000 in life cover and USD75,000 in critical illness cover for any child under 18. Sanjay can then index the policy at either 5 or 10% a year, and even pay for it within a specified time period. The vanishing premium option allows clients to pay for a policy over defined periods, so as Sanjay wouldn't be able to pay the premiums until his grandson was 95, he could pay them over a 20 year period instead.

Assuming Sanjay chooses to increase the life cover at 10% per year, by the time his grandson reaches 21, the policy would have increased year

on year and would have reached USD435,000 in life and USD 217,500 in critical illness cover. It is important to remember however, that premiums would also increase each year. Given the grandson's age (1 year old), and a premium payment term of 20 years, and based on fund growth of 5% per year, the starting premiums for this policy are USD227.

The policy can grow with his grandson and provide him with the long term financial protection he deserves, or just a little something he can use to splash out on a new car.

So, even though his grandson will outgrow the rubber ring, Sanjay can still provide the financial protection needed.

Important notes

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