

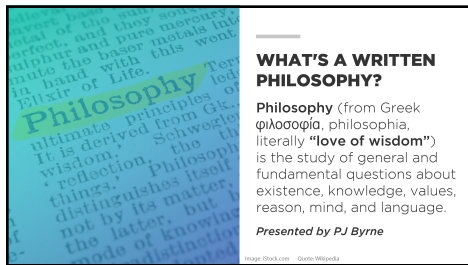


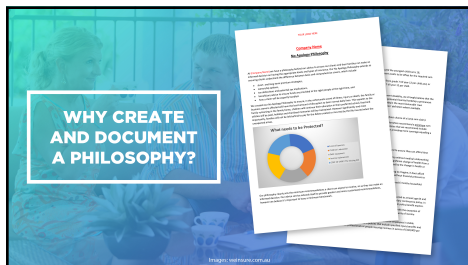
2019 MDRT Top of the Table Annual Meeting e-Handout Material

Title:	Create a Strong Foundation by Having a Formal Financial Philosophy
Speaker:	Peter Jason Byrne
Presentation Date:	Friday September 27, 2019
Presentation Time:	10:30 a.m. -12:00 p.m.
Session Room:	Congressional Ballroom B-C

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WHAT PROTECTION AND WHY

Life Insurance
Total and Permanent Disability
Critical Illness/Trauma Cover
Income Protection or Disability Insurance

Life Insurance Policy

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WHERE EXPERIENCE AND EXPERTISE MEET

Claims
Affordability
Replacing Existing Insurance
Estate Planning

ADVICE

Last Will and Testament

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WHAT YOU DO TODAY CAN CHANGE LIVES TOMORROW

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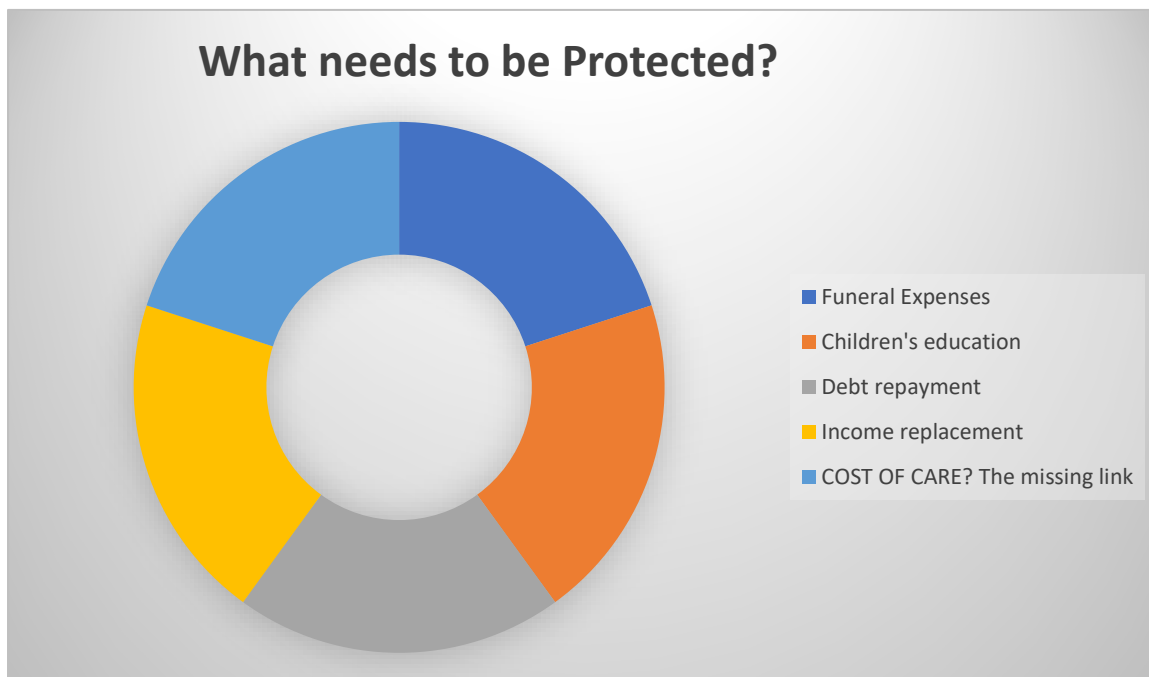
YOUR LOGO HERE

Company Name

At (Company Name) we have a philosophy behind our advice to ensure our clients and their families can make an informed decision on having the appropriate levels and types of insurance. Our No Apology Philosophy extends to ensuring clients understand the difference between basic and comprehensive covers, which include:

- short- and long-term premium strategies,
- ownership options,
- tax deductions and potential tax implications,
- beneficiary advice to ensure funds are provided to the right people at the right time, and
- how a claim will be expertly handled.

We created our No Apology Philosophy to ensure, in the unfortunate event of illness, injury or death, the family or business owners affected will have the least amount of disruption to their normal daily lives. This equates to the family remaining in the family home, children will continue their education in their preferred school, food and utilities will be paid, holidays and cherished memories will be maintained. However significantly and most importantly, families will not be left behind to pay for the debts created or incurred by the life insured when the unexpected arises.



Our philosophy clearly sets the minimum recommendations a client can expect to receive, so as they can make an informed decision. Our advice service extends itself to provide greater and more customised recommendations, however we believe it's important to have a minimum benchmark.

Life Insurance – A minimum plan should have:

- Funds to clear all debt's
- allow for \$15,000 for funeral and final expenses
- provide an ongoing minimum household income of \$50,000 until the youngest child turns 18,
- superannuation balances, cash, and other disposable investment assets to be offset for the required sum insured,
- for State funded high school an allowance of \$10,000 per year from grade 7 till year 12 per child and, or
- for private schools a minimum of \$15,000 per year from grade 7 till year 12 per child.

Total and Permanent Disability (TPD)

As the financial cost for long term care of a family member with a permanent disability, we strongly believe that the TPD sum insured should match the life insurance sum insured due to the potential financial hardship a permanent disability can leave a client in. We strongly believe that it is important to obtain the more favourable 'own occupation' definition of disability as opposed to the inferior 'any occupation' definition where available.

Trauma or Critical illness Cover

Trauma cover is the most common lump sum claim we pay, (it's a client's highest chance of a lump sum claim).

Therefore, we believe trauma cover is essential to be included in a plan and therefore recommend a minimum sum insured being equal to six months combined household income. All trauma policies that we recommend include trauma reinstatement and are comprehensive policies, not basic policies (again providing more coverage equalling a higher change of claim when needed most).

Children's Trauma or Critical illness Insurance

We believe children's cover is essential for these reasons;

- To provide parents a tax-free lump sum to assist with medical expenses and to ensure they can afford time away from work to be at their child's side.
- Children's insurance provides a guaranteed conversion to adult trauma policy without medical underwriting in the future. The benefit of this means even if the child or a parent has a significant change of health from a hereditary type illness, future insurance is guaranteed and will not be affected by the change in health or family history.
- Children's trauma insurance includes a life insurance benefit. Whilst unsettling to imagine, it does afford peace of mind knowing funds will be available to allow parents to grieve and without financial pressure to return to work prematurely.
- For the above reasons we include a minimal sum insured being equal to combined 6 months household income.

Income Protection or Disability Insurance

Where there is a need for income protection, we encourage all clients to have a benefit period to at least age 65 and a maximum waiting period of 90 days unless the client has employer or superannuation salary continuance policy. In this case we would then ensure our waiting period commences when the employer or super policy benefit expires.

We prefer to have Income Protection personally owned instead of Superannuation owned with the exception of extreme affordability constraints. This then means it's the only way the client can afford security of income protection.

We encourage Agreed Value for self-employed and business owners and indemnity for employees in stable employment for affordability. We are comfortable with standard policies that include specified injury benefits and will offer comprehensive cover to white collar professionals or people insuring incomes in excess of \$120,000 per year.

Stepped and level premium

At a minimum we encourage clients to take a stepped premium for affordability purposes, however, if their cover is for a period of greater than 10 years a strategy may include either level premium or a combination of level and stepped for their consideration.

Funding inside or outside super

When providing comprehensive advice, (i.e. all of the above covers) we are generally comfortable with a combination of life and TPD linked to non-super own occupation TPD and or Trauma Insurance. As mentioned above, we will encourage income protection to be personally owned to ensure superior definitions not limited by the SIS Act and generally available higher tax deductions for personally paid premium.

Affordability

We will always be conscious to ensure clients can afford their insurance's, we will encourage clients to take less cover but all four types of insurances vs a client putting all of their eggs in one basket, so to speak. There will be situations that for one client a premium may seem expensive yet for another client it will represent great value as we appreciate all clients have different needs, concerns, motivations and importantly health history or hereditary concerns.

We will also help existing clients reduce levels of cover and premiums in line with their budgets. Clients will always be informed about the risks of reducing insurance by signing our '*reduce my insurance*' letter.

Replacing existing insurance

We are reluctant to replace any insurance unless we can demonstrate:

- value in savings on the premium,
- improvement in definitions or benefits,
- reduction of health loading or removal of exclusion,
- to match a client's personal goals and objectives such as Lifestyle benefits offered by insurers, for example Vitality, and
- above all we will ensure that the client's best interest's duties are forever always satisfied.

Choice of insurer

We will only recommend insurers that have demonstrated (1) prompt and fair claim payments (2) quality policies and have efficient and fair underwriting standards. (3) have reliable and consistent back office and administration support.

In the event an insurer breaches one or more of the above three foundations, we will always put the client's best interests first and will encourage them to secure better coverage or protection with an alternate provider if in their best interest.

We will always provide a recommendation that is based on value for money, in other words, being that a combination of a competitive premium and a quality policy that provide the highest level of certainty for a claim for the most reasonable premium.

Claims

We encourage all our clients to notify us of any potential claim, not the insurer first. Then we will assist the client with initialising a claim with the relevant insurer and their initial claims paperwork. We will check and lodge this claim on their behalf and there will be no additional charge for this initial service.

Life insurance or terminal illness claim: There are no fees for us to manage and complete a Life Insurance claim

Income Protection: in the event of an Income Protection claim we will assist with the above initial and the first 3 months of benefits to ensure the claim has been established correctly and the life insured has a sound relationship with the ongoing insurers claim manager. There is no fee for this assistance.

Trauma or Total and Permanent Disability claim: In the event of a claim for trauma or TPD, the above initial claims service will be done at no charge and then based on experience we will offer and quote to provide our "Claims Advocacy Service" which will be done with a documented costing that includes a minimum and maximum value and only payable on the success of a claim. It will be pre-agreed and only conducted upon the client's instructions.

Clients will be provided clear explanations to the three below choices in the event of seeking a lump sum claim;

1. Negotiate and provide all information to the insurer directly, after our initial complimentary assistance.
2. Utilise the services of a lawyer or a no win, no fee lawyer.
3. Engage the (Company Name) Claims advocacy service.

Compliance

We have a clear distinction of who we serve. We work for our clients - not the insurers. We meet best practice duties and have the client's needs at the forefront of our service delivery. We are strong believers in representing our client's best interests as if they were our own family. It's our privilege to serve and strive to afford our clients the best service offerings available to ensure they gain the most from their claim.

Summary: It is our privilege as advisers to be put in a trusted position, we have a responsibility to share what we know and more important say what we believe. We must always have the difficult conversations, as well as the easy ones. People's lives and families are affected by the advice we give and we therefore can never take that for granted. We must be honest to ourselves, and all ways to the client.

*Always put the client's best interest first and remember
what you do today can change lives tomorrow*