

How Personal Protection Insurance SAVES LIVES

CLIENT STORY

Background

Chris and Emma were both working hard and raising their young family. Chris operated a specialised haulage business and had recently expanded his operation by purchasing a second transport business. Emma worked as a retail consultant. They had significant debt when Chris experienced a life-changing health event that meant he could no longer drive.

The couple were distressed about Chris' health as well as stressed about their financial position, as much of the equipment in the business was leased and they had a mortgage on the home they had just built. They were considering whether a fire sale of their home, their business or both would salvage enough funds to support their future.

Understandably in the circumstances, both had completely forgotten that they had previously taken up a recommendation by Chris' parents to seek financial advice which had included putting in place financial safeguards for an unexpected event such as this.

Needs Assessment

When we first met Chris and Emma, we conducted a thorough Financial Fact Finding exercise. This involved clarifying their financial position at that point in time, while identifying their goals for the future and considering how they would fund their needs and lifestyle. We understood that as young parents and business owners, they needed advice for protecting their livelihood from unexpected events and implementing wealth-building strategies that would grow a nest egg for their future.

Our Solution

We recommended and implemented a 'Protect & Grow' solution. This involved protecting what they had; implementing regular savings; generating income from appropriate investment strategies; and documenting instructions based on the often-sensitive estate planning decisions for what was to happen if Chris or Emma was incapacitated or no longer around. Our 'Protect' solution included our recommendation and implementation of a package to protect and replace their income.

When we heard about Chris' health crisis from his parents (who are also our clients), it was clear that Chris and Emma had forgotten about the personal protection planning we had done for them.

We contacted them to deliver the good news that their income was protected. We then coordinated the claim and liaised with the insurance company on their behalf. We made sure they were paid their full entitlement.

While their personal protection package wasn't their focus, it was the foundation upon which their big picture financial plan was built. As is the case with foundations, you seldom think about them until you need them yet if you build them appropriately, they will support you throughout life – the good times and the bad.



Outcomes so Far

The immediate outcome was massive relief; Emma had lost a lot of sleep worrying about Chris' health and wondering how they would manage their financial commitments on her income alone.

Their personal insurance claim was successful and guaranteed Chris with income for the 5-year period during which he would be unable to drive due to his health concern. This provided financial security while the pair weighed up their options for the future. For Chris it provided time to recover from his illness and to deal with the shock and grief of what was a significant change in his life. He needed to work out what he would do for the rest of his life.

From adversity comes opportunity. Chris was now able to share his children's lives almost full-time as they grew through their primary school years. Emma was able to juggle her role and work from home when she needed to. The extended family also pitched in.

A major outcome was that Chris, Emma and their family could stay in their home and benefit from the familiarity and stability provided by their much-loved community. Even though Chris was unable to drive, he was able to restructure the business and employ drivers, which enabled it to prosper. Six years after his health incident, the business was sold and he and Emma were able to move on to their next venture.

With renewed energy they are now kicking goals and writing records in their new business, which has included expansion to two locations. They are very close to owning their home.

There is no doubt, without their personal protection planning, Chris and Emma's home, business and future financial position would have been rocky at best and, at worst, completely lost.

Chris and Emma are second-generation clients of EKO Financial, who were guided to seek financial planning advice by Chris' parents. The latter have known Jeff Ebsworthy for many years and value his practical and common-sense approach to financial matters, particularly with regard to personal protection planning for young parents. Their guidance and Jeff's advice certainly paid off for Chris and Emma.

Chris and Emma have continued their Protect & Grow plan which continues to include personal protection cover. During a recent review meeting, Emma said they were firm believers in the value of insurance and are grateful for having been able to claim on their policy. The income it provided allowed her and Chris to continue to operate their business *and* gave them the time they needed to reassess his future.

This is what Chris had to say ...

My seizure was completely out of the blue. Our daughter was 12 months old and our son had just started school. With me doing 50% of the driving in my business, not having the income protection would have made a huge impact on us financially. We were using my wage to pay the house off and get ahead, and that would have stopped. We would have had to slog it out for as long as it took and that would have been really hard. My replacement income meant we could employ another driver and it gave us time to decide what we were going to do. I'd say the income protection saved us.

I'd definitely recommend Jeff. He's easy to talk to, personable and always up-front and honest. What he says makes sense and he uses everyday language that's easy to understand. He's always really looked after us.

Jeff Ebsworthy is known for helping small business owners, professionals and retirees to make smart money decisions so they can live the life they want...

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