Top 10 triggers to review your life insurance

By Fordham

7 March 2018

As a specialist part of Perpetual, Fordham is able to offer a complete and powerful range of services to you and your business ... including a diverse range of prudent risk and insurance options.

We understand that insurance may not be the most pressing business issue for you to consider, but your circumstances are constantly evolving and therefore so do your needs. Right now you might require improved cash flow, more effective tax structuring options, or just reassurance that the fine print associated with a particular insurance product hasn't changed ... helping you to avoid the risk of not being eligible to receive a payout in the event of a claim!

Our insurance specialists review your insurance levels based on your current needs and – with access to a wide range of policies and providers – make tailored recommendations on how to achieve your best possible outcome. So take the time to read through the top ten triggers below, then have a quick chat with us about your current cover ... especially as it is a cost and obligation free service offered to all Fordham clients!

NUMBER 1

"I have taken on equity or ownership of a business"

If you have business partners then you need a written agreement in place covering succession planning for the business – particularly in the event one of those partners dies unexpectedly. Insurance may be used as the funding mechanism for part of the purchase and transfer of shares/units. If something unexpected occurs can you afford to pay out your business partner's estate for their share of the business? Or, would you prefer to inherit your business partner's spouse as your new partner? Would the bank call in all debt with the loss of a key partner or assets they might provide as security?

NUMBER 2

"One of my key employees has resigned!"

By definition, key employees are key to your business. You can insure key people for loss of revenue, costs of recruiting a replacement and debt protection.

NUMBER 3

"I'm a self-managed super fund trustee"

As a trustee of a self-managed superannuation fund you are required by the government to consider the insurance needs of the members of the fund on an annual basis. Why wouldn't you have this reviewed at no cost by a professional risk advisor to ensure this obligation is met!

NUMBER 4

“I’ve just purchased a house”

With a new house usually comes a new mortgage.

Can your family manage mortgage repayments without you? Which would your prefer your family to be left with – a home, or a home loan?

NUMBER 5

“I’d like to save on premiums”

Premium rates change and most companies review their rates on a regular basis – you should too! A review can ensure you are not stuck with a company that is consistently increasing rates above market. It is also important to stay informed of available structuring options. For example, if you pay premiums via rollover from superannuation you only pay 85% of the original premium!

Likewise, product features, benefits and definitions are constantly changing, so you should be reviewing your cover regularly too! Old products can be closed off, and you may find yourself “stuck” with a legacy policy that does not payout on current market leading definitions or claimable events.

NUMBER 6

“We’ve just had a baby!”

Having children is a primary trigger to take out life insurance ... this is when you realise that others ultimately depend on you and your ability to earn an income. Frankly, if you were to die, the financial burden on your partner will dramatically increase. Life insurance can help provide for your partner and your children when you’re gone.

NUMBER 7

“I’m married and worried about my family’s future”

Sharing your life with someone should mean thinking about their future too, and what might happen if you incur unexpected medical expenses or you need time off work to assist recovery ... or worse. What happens if you’re no longer around?

Trauma insurance can provide a lump sum to help with surgery and treatment, while life insurance helps your spouse to manage financial burdens such as school fees and outstanding debts.

NUMBER 8

“There is a history of serious illness in my family”

You may still be able to take out life insurance if you have a family history of illness. Some hereditary diseases have a major impact on longevity and insurance companies often load the premium or exclude conditions from policies. While this may seem unfair, it is also a primary benefit of taking out insurance cover sooner rather than later.

NUMBER 9

“My salary arrangements have changed”

A change in salary (or shareholding) arrangements can drive revised personal remuneration arrangements for business owners. Changing superannuation funds can have the same impact. It is important to review your income protection cover to ensure you are covered for the correct definitions and the sum insured is linked to your current arrangements.

NUMBER 10

It’s free for Fordham clients!

As a specialist part of Perpetual, Fordham are pleased to be able to offer a review service to our clients ... obligation and cost free.

FURTHER INFORMATION

If you would like to discuss your options in further detail, please contact your Fordham Partner.

Talk to us today

Get in touch

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