

INCOME FIRST: *adulting*



Life,
done
better



LEADING THE CHANGE FOR YOUR CLIENT'S BUSY ADULTING

When you last met Patrick, he was what life insurer FMI (a Division of Bidvest Life Limited), calls an 'Early Earner': 25, a recently qualified electrician, no dependants and a new set of wheels to his name. He's matured somewhat since then. At 32, he's taken the leap to open his own electrical business and marry the girl of his dreams. Together, they've had a child and bought their first family home.

Patrick's biggest challenge right now is to find balance. He's looking for harmony between working hard and building his business, whilst spending time with his wife and being the family man he wants to be. He craves the opportunity to enjoy the small rewards life has to offer, while securing a comfortable financial future for himself, his family and the staff he supports in his business.

Patrick's current life stage falls neatly into what FMI calls, 'Adulting: mid-30s, married with one or two children, and an average debt load that consists mainly of home and car loans. Their income is the fuel for their dependants, while they juggle building a career, buying a house and starting a family.

With all these priorities on the go, what risks does Patrick face? According to FMI's 2019 Risk Stats, at 32, Pat has a 91% chance of at least one temporary injury or illness - but only a 37% chance of a critical illness and 15% chance of a permanent disability - during his working career*.

What then should Patrick's top priority be? With a growing young family and a thriving business, he needs to protect his earning power so he can pursue what matters and continue taking care of himself and his loved ones. Patrick worries about the effects any injury or illness would have on his business. Not to mention the impact this would have on his employees and their families who depend on that income.



FOR YOUR CLIENT'S IN THE ADULTING LIFE STAGE, THEY NEED TO HAVE THE RIGHT COVER IN PLACE, NOT JUST FOR THEMSELVES, BUT FOR THEIR GROWING FAMILY TOO. AND THIS NEEDS TO HAPPEN FIRST, IN ADDITION TO MEETING THEIR FINANCIAL RESPONSIBILITIES LIKE THEIR BOND OR THEIR BUSINESS, WHILST STILL CONTINUING TO SAVE AS MUCH AS THEY CAN. ”

BRAD TOERIEN, FMI CHIEF EXECUTIVE

The important thing to remember is that no matter what stage of life your clients are in, their income is the one constant they'll always need to rely on. For your clients like Patrick, they need to make sure they are protecting 100% of their income across all 3 major risk events and using lump sum benefits to provide for any additional expenses.

FMI recognises that not all clients are like Patrick, and they may have existing cover in place. There is an opportunity to rebalance their portfolio with income cover which will allow for savings in premiums.

This Income First philosophy addresses 2 fundamental shifts FMI is encouraging in the industry:

- 1 For South Africans to insure themselves against their most likely risks (injury, illness and critical illness) that could prevent them from earning an income - both for a short while, as well as for an extended period of time.
- 2 For South Africans to cover themselves with income replacement benefits, as opposed to large lump sums.

This is a slightly new perspective, a small change in behaviour - but it's a shift that will make a huge impact in your clients' lives. Isn't that, after all, what insurers and advisers are committed to? Providing the best possible cover you can, for each and every client, is your prerogative, and it's time to make that potential count.

“AS A FINANCIAL ADVISER, IT ALL BEGINS WITH YOU AND THE DIFFERENCE YOU CAN MAKE TO THE LIVES OF YOUR CLIENTS JUGGLING THE HIGHS AND LOWS OF THIS ADULTING STAGE. YOU MAKE AN IMPACT BY NOT ONLY PROTECTING PATRICK THE FAMILY MAN, BUT ALSO PATRICK THE BUSINESS OWNER, AND THE STAFF WHO DEPEND ON HIM,” SAYS TOERIEN.

**Risk stats calculated for 32 year old before retirement age of 70.*



To find out how to provide an irreplaceable policy and help customers like Patrick, visit:

<https://www.fmi.co.za/financial-adviser/income-first#adulting>

ABOUT FMI

FMI, a Division of Bidvest Life Limited, offers a suite of life insurance products to protect individuals against any of life's risks. FMI specialises in monthly income benefits that protect people's livelihoods when they're unable to earn an income due to an illness, injury or death.

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