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INCOME PROTECTION - A Real Life Story

Geoff Wickett has been running his own business for 24 years. Geoff's business creates promotional products for corporate clients and he is an event manager for his local community. Geoff is married to Anne and they have a son, Ben.

In May 2005, Geoff suffered a serious back injury. After sitting at his desk for a number of hours without moving, Geoff tried to stand up and was unable to, falling flat on his back. And as Geoff says, 'that was it'.

He went home in pain and when the situation hadn't improved by the following day he went to the doctor. He was diagnosed as having a prolapsed disk in his spine - a very painful and troublesome injury.

Geoff then spent eight months lying on a mattress in the lounge room, three of those months lying on his stomach. To get to medical appointments, he would literally have to crawl out of the unit and into the back of the car, relying on Anne to drive him. Geoff was not able to return to work for 11 months.

As can be expected in these situations, the strain on Anne was significant, both emotionally and financially - looking after her husband and son, but also trying to run Geoff's business and her own.

Could this happen to you?

- How much of a relief would it be to know that in a time of illness or injury that your expenses will be met, even if you aren't receiving your normal income?
- Have you considered that not having income protection may mean you have to return to work early after an injury or illness?
- If you were unable to work for an extended period of time, how long do you think you could last on the savings you have? What would you prefer to do with that money?
- Do you know there is a 60% chance that you could be off work for at least one month during your working life due to illness or injury? and a
- 25% chance you could be off work for three months or more?

If you would like to discuss your personal insurance needs or like a **free** review of your current cover, please call Brett from Forsyths Insurance Services on (02) 6842 0000.

WHOLE OF LIFE & ENDOWMENT POLICIES

If you have a whole of life or endowment policy which you don't know what to do with, it is starting to get expensive or you are unsure of it's relevance to your current circumstances, there are some alternatives for you to consider:

1. Convert a whole of life policy to an endowment policy

Whole of life policies can be converted into endowment policies with a maturity date at least five years from the date of change. Therefore, a client who is 60 can convert a whole of life policy to mature at age 65, which would provide a greater benefit compared to surrendering the policy at age 60.

However, when converting whole of life policies to endowment policies, there will be a considerable deduction in the sum insured. A lower future bonus will apply, even if premiums will be paid until the new maturity date.

2. Make the policy 'paid up' if you no longer wish to, or can no longer afford to pay the premium.

Making a policy 'paid up' effectively means you will no longer have to pay the premiums. The amount of the insurance is then reduced to a figure that the insurance company calculates to reflect that no premiums will be paid.

For policies with bonuses, it's important to note that any future bonuses will also be considerably reduced, as many bonuses are paid from a margin within the premium specifically designed for this purpose. Rather than surrender the policy, converting the policy to paid up and allowing it to reach its maturity date is often an attractive option.

[FORSYTHS INSURANCE REVIEW](#)

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Acknowledgement

- Geoff Wickett for allowing his story to be told; and
- Tribeca Learning (Aust) Pty Limited

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