



News:

Financial Protection Specialists



Integrated

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Welcome

Welcome to the latest edition of Integrated Financial News. In this edition we look at the features and benefits of Income Protection insurance. We also feature an article on communicating your value.

Integrated News is provided as a service to our business alliance partners and we hope you find the articles featured in this newsletter to be interesting and informative. If you would like any clients or business associates to receive the Integrated Financial News, please contact our office and we will gladly send them a copy.

Kind Regards, **Peter Moyle**



Features and Benefits of Income Protection

Income Protection is designed to provide a regular income in the event that if you were to suffer an injury or an illness, then the ability to meet day-to-day living needs can be adversely affected.

Even if the illness or disability suffered is only temporary, your long-term plans can be seriously impacted.

Prospective clients are often confused about **Income Protection** insurance because the features and benefits can vary widely from one policy to another. Essentially, there are a few key elements that could make a big difference when you make your choice.

If you or your clients are in the market for Income Protection insurance, here are some significant points to consider:

Definition of "Total Disability." Does the policy define total disability as a condition during which you cannot perform the duties of your "own occupation" or "any occupation"?

A policy that refers to your "own occupation" pays benefits if you cannot return to work in your own occupation. A policy that refers to "any occupation" generally pays benefits only if you are unable to perform any job: your own job, a lower-paying job, or a job in a new occupation.

Duration of Benefits. Even if you have to choose a smaller benefit

amount to keep the premiums affordable, look for coverage that protects you until age 65. Note: There are policies available that offer benefits only for a limited period (such as a maximum of two or five years) and the nature of your occupation may affect the duration of coverage.

Amount of Coverage. Most policies set a limit on the percentage of income you can insure — usually around 75% of your total gross earnings. If you have an employer-provided plan that offers only limited group coverage, you may consider taking supplemental individual income protection coverage.

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Features and Benefits of Income Protection

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Waiting Period. The waiting period is the amount of time you must wait before income protection benefits begin to be paid. While a shorter waiting period requires a higher premium, a longer waiting period may mean more out-of-pocket costs before benefits begin. The waiting period is determined when a policy is issued, not when you sustain the disability.

Taxation of Benefits. Benefits received are generally assessable as income and premiums paid are generally tax deductible.

Partial Coverage. After a serious disability, many people are able to return to work only on a part-time basis. Partial benefits allow you to receive partial disability benefits, as well as your part-time income, until you fully recover. Without this feature, your benefits may stop as soon as you return to work, even if it is only part-time.

It is important to determine the amount of coverage that is needed. Make it a point to review Risk Protection coverage and needs on a regular basis in order to help ensure that you or your clients are adequately protected.

Source: MDRT Insights

Communicating Your Value

Appraising your value proposition to your clients and prospects can often make the case for continued business and referrals.

Some questions to ask yourself and your team are:

- What is your niche market?
- What is the profile of your ideal client?
- Can you convey your expertise within that chosen market?
- What makes you different from your competitors?

Being able to communicate the answers to these questions may enhance the focus of your team and make for more effective interviews

Source: Round The Table



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