



## **2016 MDRT Annual Meeting e-Handout Material**

**Title:** Having a Health Line of Credit For Critical Illness

**Speaker:** Godfrey Phillips, FChFP, JP

**Presentation Date:** Wednesday, June 15, 2016

**Presentation Time:** 11:30 a.m. - 12:30 p.m.

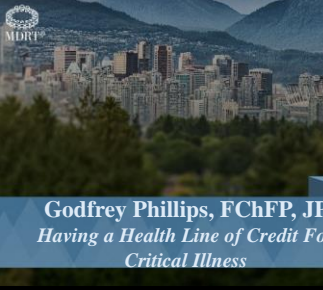

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Million Dollar Round Table  
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Slide 1





**Godfrey Phillips, FChFP, JP**  
*Having a Health Line of Credit For  
Critical Illness*



MDRT  
2016  
JUNE 12-15  
VANCOUVER

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Slide 2

**Advisers Fiduciary Responsibility**

- ❑ Our competitors are Death, Disability, Critical Illness and Old Age.

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Slide 3

**Advisers Fiduciary Responsibility**

- ❑ Our competitors are Death, Disability, Critical Illness and Old Age.
- ❑ Our job is to see the client BEFORE the competition.

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Slide 4

Advisers Fiduciary Responsibility

- ❑ Our competitors are Death, Disability, Critical Illness and Old Age.
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- ❑ Our job is to find holes/gaps in the clients financial plan, and fix it.

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Slide 5

Advisers Fiduciary Responsibility

- ❑ Our competitors are Death, Disability, Critical Illness and Old Age.
- ❑ Our job is to see the client BEFORE the competition.
- ❑ Our job is to find holes/gaps in the clients financial plan, and fix it.
- ❑ Today's talk will concentrate only on the history of Critical Illness, some great case studies, how to calculate the sums assured, and the very obvious benefits of "Having a Health Line of Credit for Critical Illness."

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Slide 6

World Health Organization

- ❑ HEALTH CONSISTS OF 3 PARTS:
  - ❑ Physical Health
  - ❑ Social Health
  - ❑ Financial Health

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Slide 7

### What Do You Need For Your Health

- ❑Income, Shelter and Food.
- ❑However Shelter and Food Need Income.
- ❑\$\$\$\$\$ You Need Money & Plenty of It.

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Slide 8

Sales concept 5  
The Protection Gap

Disability Income      MAJOR TRAUMATIC ILLNESS      Death Cover

How well your existing insurance cope?

A major traumatic illness creates special problems and forces you to change protection.

- Specialised Medical Costs
- Special Disability Time with Family
- Home Adaptation or Retirement
- Travel and Accommodation
- Employment Uncertainty
- Uninsured Risks

**DISABILITY INCOME: NOT PAY ... But won't be enough**  
**DEATH COVER: NOT ENOUGH ... But won't pay**

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Slide 9

Dr Marius Barnard

From left: Organising chair Alphonso B. Franco, RPHL, RPHC, with Marius Barnard, M.D., and Godfrey Phillips, JP, FMA.

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Slide 10

World's First Heart Transplant - 1967



The world's first human heart transplant patient, Louis Washkansky, receiving an African Shona (Bantu) heart into his chest, December 1967

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Slide 11

Dr. Marius Barnard The Politician



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Slide 12

Why Critical Illness Insurance?

☐ CII is necessary not because you die but because you survive. Your Financial Health is at stake.

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Slide 13

Why Critical Illness Insurance?

- ❑ CII is necessary not because you die but because you survive. Your **Financial Health** is at stake.
- ❑ Over the last century, the major causes of death shifted from infectious diseases to “**lifestyle**” conditions like heart attack, cancer, stroke and By-Pass.

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Slide 14

Why Critical Illness Insurance?

- ❑ CII is necessary not because you die but because you survive. Your **Financial Health** is at stake.
- ❑ Over the last century, the major causes of death shifted from infectious diseases to “**lifestyle**” conditions like heart attack, cancer, stroke and By-Pass.
- ❑ **80%** of people will suffer from one of the big Three Critical Illnesses in their lifetime.

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Slide 15

Why Critical Illness Insurance?

- ❑ CII is necessary not because you die but because you survive. Your **Financial Health** is at stake.
- ❑ Over the last century, the major causes of death shifted from infectious diseases to “**lifestyle**” conditions like heart attack, cancer, stroke and By-Pass.
- ❑ **80%** of people will suffer from one of the big Three Critical Illnesses in their lifetime.
- ❑ Medically we could keep people alive longer, however **Financially** they died.

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Slide 16

Why Critical Illness Insurance?

- ❑ CII is necessary not because you die but because you survive. Your **Financial Health** is at stake.
- ❑ Over the last century, the major causes of death shifted from infectious diseases to “lifestyle” conditions like heart attack, cancer, stroke and By-Pass.
- ❑ **80%** of people will suffer from one of the big Three Critical Illnesses in their lifetime.
- ❑ Medically we could keep people alive longer, however **Financially** they died.
- ❑ I set about making a difference by designing **Critical Illness Insurance**, which would pay a lump sum on diagnosis of a critical illness. It was called **Living Insurance**.
- ❑ Dr Marius Barnard, A.F.R. 25/05/2002. [Quotes from the article.]



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Slide 17

Critical Illness Insurance Claimants



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Slide 18

Godfrey “I’m bullet proof!”

- ❑ Referring accountant’s wife made him take out ALL insurances.
- ❑ Quadruple by-pass resulted in CII claim.

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Slide 19

Godfrey “I’m bullet proof!”

- ☐ Referring accountant’s wife made him take out ALL insurances.
- ☐ Quadruple by-pass resulted in CII claim.
- ☐ Stroke meant he couldn’t work again.

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Slide 20

Godfrey “I’m bullet proof!”

- ☐ Referring accountant’s wife made him take out ALL insurances.
- ☐ Quadruple by-pass resulted in CII claim.
- ☐ Stroke meant he couldn’t work again.
- ☐ Max Business Expense Insurance benefit paid for 12 months.

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Slide 21

Godfrey “I’m bullet proof!”

- ☐ Referring accountant’s wife made him take out ALL insurances.
- ☐ Quadruple by-pass resulted in CII claim.
- ☐ Stroke meant he couldn’t work again.
- ☐ Max Business Expense Insurance benefit paid for 12 months.
- ☐ Income Protection Insurance benefit paid to age 65.
- ☐ He financed his own succession plan

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Slide 22



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Slide 23



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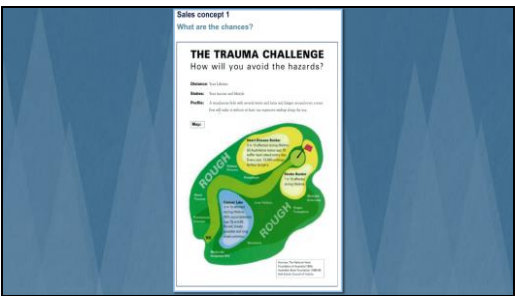
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Slide 24



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Slide 25

If you suffered a Heart Attack, which would you prefer to lose...

Your Home or



Your Mortgage

Trauma Cover means you can choose the right option now!

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Slide 26

Sales concept 3  
100% of Income

How to Maintain 100% OF INCOME During Disability



Now You Can Have True Lifestyle Protection

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Slide 27

Sales concept 4  
How Much is Enough?

How will you secure a comfortable future if trauma strikes?



Now You Can Have True Lifestyle Protection

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Slide 28

C.I. Insurance Recommendation

- ☐ 2 x gross income + balance of all debts
- ☐ 2 x gross income or balance of all debts *plus a bit*
- ☐ 2 x gross income or 1.5 x gross income
- ☐ 1 x gross income + medical expenses (\$50K)
- ☐ 1 x gross income or / + balance of all debts
- ☐ 1 x gross income + medical expenses (\$100K) + home changes (\$100K)
- ☐ Balance of all debts + home/car changes (\$50K) + \$50K to \$100K cash
- ☐ Balance of all debts + home/car changes; excess medical costs; holiday (\$25K)
- ☐ What can they afford?

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Slide 29

Questions to introduce C.I.I.

- ☐ What is the companies corporate policy in the event of a heart attack, cancer or stroke?
- ☐ What plan has your CFO or accountant put forward for the continuity of your business in the event of your premature death, or a critical illness I.E. heart attack, cancer or stroke?
- ☐ Or ensuring the continuity of your family's current standard of living?
- ☐ If you suffered a cancer, heart attack or stroke what impact would that have on your job, income, mortgage, bank manager, and most importantly your family?
- ☐ Does your group medical plan pay a tax free lump sum in the event of a heart attack, cancer or stroke? [For U.S. & Canadian Financial Advisers.]

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Slide 30

How has C.I.I. assisted my clients?

- ☐ 100% of claims through our practice in the past 8 years has been initiated by a Critical Illness.
- ☐ Get the World's best medical care available.
- ☐ Relief from **financial worry** which would hinder recovery.
- ☐ Not be a burden on the family.
- ☐ Meet business liabilities. i.e. 5 year lease on factory.
- ☐ Additional income if unable to work.
- ☐ Funds for retirement.
- ☐ Rehabilitation expenses.
- ☐ Change of lifestyle.
- ☐ C.I.I. buys you Money Freedom and Time Freedom which is Financial Freedom.

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Slide 31



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