



for:

Jimmy Smith and Mary Smith

COMPLETED BY:

Kieth Mark Bandiola  
Registered Financial Advisor  
Jimmy Smith and Mary Smith  
Gayness  
FSP #:

Dear Jimmy and Mary,

Thank you for taking the time to allow me to analyse your personal insurance needs.

I have reviewed the issues we discussed recently and analysed the details collected in the Insurance Planner and enclose my findings in this report. As agreed during our previous meeting, this report will document my recommendations in relation to covering your objectives and needs.

The following report outlines your personal risks, the appropriate insurance solutions, and the amount of cover needed to meet the financial requirement in these events, it is prepared from information supplied by you and so is dependent on the completeness and accuracy of that information. As we agreed in the scope of engagement I have provided recommendations in the following areas:

- Life Cover

**If you believe that my understanding of your objectives is incorrect or have been misinterpreted, please advise me before proceeding with any recommendations**

Taxation law and the regulations governing them is complex and a highly specialised subject and I would recommend that you consult the appropriate experts who deal with these matters on a regular basis.

Any calculations or projections this report are for illustration purposes only and are based on assumptions about the future. The future, of course, will be different to whatever is assumed today. To be totally effective, this plan will need to be updated on a regular basis. In the meantime, please advise me of any material change in your circumstances that may warrant a change to your plan.

This report has been put together with the intention of providing you with financial solutions if an unexpected event ends or limits your earning capacity. This document is important so please make sure you read it carefully. The recommendations contained in this report are effective for thirty days from the date of this letter.

Once this report has been presented, and your questions have been answered, it is up to you to decide on your priorities, although I am happy to assist you in this decision making process. If you have any questions or concerns please contact me.

Yours sincerely,

Kieth Mark Bandiola

## INTRODUCTION

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**This is an important document - you should read it carefully and keep it safe.**

If there is anything that you disagree with or need clarification on, please contact me, Kieth Mark Bandiola. If you change your mind about the products you purchase or any other action you decide to take, in most cases you have a free look period, in which you may cancel the contract and receive a full refund. You will find details of any free look period in your policy document.

This Insurance Plan is a record of our meeting on [18 Jan 2017](#), in which we discussed your personal financial circumstances and established what advice you sought in relation to your personal debt and risk insurance.

The following is a summary of my understanding of the facts you provided to me and your needs as discussed at our meeting:

## SECTION 1 - IMPORTANT INFORMATION ABOUT YOU

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This Section has important information about you that I have gathered and will consider in preparing my advice, such as your personal as well as financial information. This will form the basis of your risk profile, or otherwise, for personalised Insurance. Please tell me if you think this information is wrong or incomplete because it may affect my advice to you.

### PERSONAL DETAILS

<b>Title</b>	Mr.	Mrs.
<b>First Name</b>	Jimmy	Mary
<b>Surname</b>	Smith	Smith
<b>Date of Birth</b>	09/06/1987	16/07/1986

### CONTACT DETAILS

**Address**

**Telephone**

**Mobile**

**Email**

### EMPLOYMENT DETAILS

**Employment Type**

**Occupation**

**Employer**

**Gross Annual Salary**

### DEPENDENTS

<b>Name</b>	<b>Gender</b>	<b>D.O.B.</b>
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No dependents specified.

If any of the above details are incorrect, please notify me of any amendments before implementing any recommendations that may be contained within this document.

## YOUR ASSETS AND LIABILITIES

Assets	Net Value
Property	\$ 500.00
Cash	\$ 500.00
Other	\$ 500.00
Total Assets	\$ 1,500.00

Liabilities	Net Value
Mortgage	\$ 500.00
Credit Card	\$ 500.00
Personal Loan	\$ 500.00
Other	\$ 500.00
Total Liabilities	\$ 2,000.00
<b>Total Net Worth</b>	<b>\$ -500.00</b>

### Note

As the above information has been used in preparing our recommendations please advise me of any errors or omission. The total column indicates the value of assets and liabilities that are owned by the client and/or partner, either directly or indirectly; via a Trust or Company. Therefore, this report does not show the value of any portion of the asset or liability that may be owned by a third party or associated entity.

## YOUR INCOME AND EXPENSES

Your Annual Income before tax	\$ 100,000.00
Your Partner's Annual Income before tax	\$ 100,000.00
Your Annual of supplemental benefits from the government	\$ 5,000.00
Your Annual Household Income after tax	\$ 5,000.00
Your annual approximate costs of Dependant's Education and/or Child Care	\$ 500.00
Your annual General Expenses (food, insurance, clothing, etc)	\$ 500.00
Your annual costs of Rent or Mortgage and other loans	\$ 500.00
Any other expenses not considered	\$ 200.00
<b>Your Total Annual Household Expenses</b>	<b>\$ 1,700.00</b>

Your Annual Disposable Household Income    \$ 3,300.00

Your Monthly Disposable Household Income    \$ 275.00

#### Note

I have a duty to identify your needs, based on the information you have given to me, and to then provide you with appropriate advice and recommendations. In some cases the cost of implementing all of the recommendations needs to be reassessed to factor in a client's available surplus income. In our view, it is better that you are made aware of the full extent of your needs, whether they are affordable or not, so that you then have all of the information presented to you to make an informed decision on how you want to practically manage the risks you face.

## GOALS AND OBJECTIVES

From our discussion we recorded that your stated goals and objectives that you want to meet are:

No goals and/or objectives specified.

## SECTION 2 - MY RECOMMENDED BENEFIT(S)

Jimmy & Mary, based on the information gathered in the Client(s) Insurance Planner which considers your Goals and Objectives, Personal and Financial Circumstances - I am recommending the Benefits in the table below so that you can consider the correct cover appropriate for you/family/business. I have considered the following in making my recommendation:

Need	Amount Assured	Why it's needed
<b>Life Insurance Cover</b>	<b>For Jimmy</b> Debts: \$ 5,000.00 Final expenses: \$ 5,000.00 Education Fund: \$ 5,000.00 Estate Resolution: \$ 5,000.00 Income Fund: \$ 5,000.00  Total: \$ 25,000.00  <b>Survivor's Income</b> Monthly: \$ 5,000.00 Term: 5 Years  <b>For Mary</b> Debts: \$ 500.00 Final expenses: \$ 500.00 Education Fund: \$ 500.00 Estate Resolution: \$ 500.00 Income Fund: \$ 500.00  Total: \$ 2,500.00  <b>Survivor's Income</b> Monthly: \$ 5,000.00 Term: 10 Years	<b>For Jimmy</b> <ul style="list-style-type: none"><li>• Repaying all debt</li><li>• Maintaining debt/mortgage repayments</li><li>• Providing an education fund for children</li><li>• Payment of funeral costs</li></ul> <b>For Mary</b> <ul style="list-style-type: none"><li>• Repaying all debt</li><li>• Maintaining debt/mortgage repayments</li><li>• Providing an education fund for children</li><li>• Payment of funeral costs</li></ul>
<b>Trauma Cover</b>  <b>Critical Illness or Living Assistance</b>  Accelerated	<b>For Jimmy</b> Debts: \$ 5,000.00 Income Support: \$ 5,000.00 Savings Booster: \$ 5,000.00 Cash Reserve: \$ 5,000.00  Total: \$ 20,000.00 Trauma Plan Type: Accelerated	<b>For Jimmy</b> <ul style="list-style-type: none"><li>• Repaying all debt</li><li>• Maintaining debt/mortgage repayments</li><li>• Maintaining financial lifestyle</li><li>• Cover for children</li></ul>

	<p><b>For Mary</b>  Debts: \$ 500.00  Income Support: \$ 500.00  Savings Booster: \$ 500.00  Cash Reserve: \$ 500.00</p> <p>Total: \$ 2,000.00  Trauma Plan Type: Accelerated</p>	<p><b>For Mary</b></p> <ul style="list-style-type: none"> <li>• Repaying all debt</li> <li>• Maintaining debt/mortgage repayments</li> <li>• Maintaining financial lifestyle</li> <li>• Cover for children</li> </ul>
<p><b>TPD Cover</b></p> <p><b>Permanent Disablement</b></p>	<p><b>For Jimmy</b>  Debts: \$ 500.00  Pension completion: \$ 500.00  Cash Reserve: \$ 500.00</p> <p>Total: \$ 1,500.00</p> <p><b>For Mary</b>  Debts: \$ 500.00  Pension completion: \$ 500.00  Cash Reserve: \$ 500.00</p> <p>Total: \$ 1,500.00</p>	<p><b>For Jimmy</b></p> <ul style="list-style-type: none"> <li>• Repaying all debt</li> <li>• Maintaining debt/mortgage repayments</li> <li>• Ability to achieve goals</li> <li>• Maintaining financial lifestyle</li> </ul> <p><b>For Mary</b></p> <ul style="list-style-type: none"> <li>• Repaying all debt</li> <li>• Maintaining debt/mortgage repayments</li> <li>• Maintaining financial lifestyle</li> <li>• Discussed, but not required.</li> </ul>
<p><b>Income Protection Cover</b></p>	<p><b>For Jimmy</b>  Monthly Income Replacement: \$ 6,200  Benefit Period: up to 45 year/s  Cover type required: Agreed Value  Waiting Period: 2 weeks</p> <p><b>For Mary</b>  Monthly Income Replacement: \$ 4,600  Benefit Period: up to 70 year/s  Cover type required: Agreed Value  Waiting Period: 2 weeks</p>	<p><b>For Jimmy</b></p> <ul style="list-style-type: none"> <li>• Maintaining financial lifestyle/financial security</li> <li>• Maintaining Kiwisaver contributions</li> <li>• Cover for redundancy</li> <li>• Discussed, but not required.</li> </ul> <p><b>For Mary</b></p> <ul style="list-style-type: none"> <li>• Maintaining financial lifestyle/financial security</li> <li>• Cover for redundancy</li> <li>• Maintaining debt/mortgage repayments</li> </ul>
<p><b>Mortgage Repayment Cover</b></p>	<p><b>For Jimmy</b>  Monthly replacements: \$ 4,200.00  Benefit Period: 45 year/s  Waiting Period: 2 weeks</p> <p><b>For Mary</b>  Monthly replacements: \$ 4,800.00  Benefit Period: 65 year/s  Waiting Period: 2 weeks</p>	<p><b>For Jimmy</b></p> <ul style="list-style-type: none"> <li>• Maintaining financial lifestyle/financial security</li> <li>• Maintaining Kiwisaver contributions</li> <li>• Discussed, but not required.</li> </ul> <p><b>For Mary</b></p> <ul style="list-style-type: none"> <li>• Maintaining financial lifestyle/financial security</li> <li>• Maintaining Kiwisaver contributions</li> <li>• Cover for redundancy</li> </ul>
<p><b>Medical/Health Cover</b></p>	<p><b>For Jimmy</b>  Excess: \$ 500.00  Children Excess: \$ 500.00  Test and Specialists: yes</p> <p><b>For Mary</b>  Excess: \$ 500.00  Children Excess: \$ 500.00  Test and Specialists: yes</p>	<p><b>For Jimmy</b></p> <ul style="list-style-type: none"> <li>• Covering medical costs</li> <li>• Covering specialists costs</li> <li>• Cover for children</li> </ul> <p><b>For Mary</b></p> <ul style="list-style-type: none"> <li>• Covering medical costs</li> </ul>

- Covering specialists costs
- Cover for children
- Discussed, but not required.

**Note:** My recommendations above are based solely on the information that you have provided to me in your Fact Find.

### EXISTING INSURANCES

LifeAssured	Provider	Policy Type	Policy Str.	Benefit Type	Benefit Prd.	Wait Prd.
Jimmy Smith	Fidelity	Life	RFA		N/A	N/A
Mary Smith	Fidelity	Life	RFA		N/A	N/A

### PERSONAL RISK RECOMMENDATIONS

Please check on the attached illustration document for more details.

## SECTION 3 - REASONS FOR MY RECOMMENDATION

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Jimmy/Mary, based on the information you have provided, I have taken into account the fact that you are 29 years, and 30 years old respectively. You have 0 dependants and are concerned that you have sufficient finances in the event of Death or if you suffer an injury or illness.

### Financial Circumstances:

In assessing your disposable income of approximately \$ 275.00 a month, it would appear that on the basis of the information supplied, the monthly premium of \$ 5,000.00 is within your means.

## LIFE COVER FOR JIMMY

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### Why this Level of Cover

Life Cover will ensure that in the event of your untimely death a lump sum payment will be available. This level of cover currently meets your financial commitments, leaving no debts, liabilities or burdens on family and friends in the event of your untimely death.

### Why Fidelity?

Fidelity Life is a 100% New Zealand owned and controlled life insurance and Investment Company - the largest in New Zealand. Established in 1973 as New Zealand's first insurance company to deal exclusively through external advisers, Fidelity is a privately-owned company with a head office in Auckland, and offices in Wellington and Christchurch. Their founding vision to provide New Zealanders with quality independent advice and locally created solutions to their insurance and investment needs remains to this day. In an industry of continual change, their stable New Zealand ownership and control is unparalleled. They are proud to have retained this independence for their clients, advisers, suppliers and staff.

## LIFE COVER FOR MARY

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### Why this Level of Cover

Life Cover will ensure that in the event of your untimely death a lump sum payment will be available. This level of cover currently meets your financial commitments, leaving no debts, liabilities or burdens on family and friends in the event of your untimely death.

### Why Asteron Life Ltd.?

Asteron Life Limited is one of New Zealand and Australia's largest financial services providers and is a member of the Suncorp-Metway group. Asteron has been given an A+ financial strength rating by Standard & Poor's. With approximately 7 million customers with over \$676 million in life insurance premiums Asteron has a well-earned reputation for personal service. They are committed to delivering the highest level of personal and responsive service ensuring the needs of their customers are met.



## SECTION 4 - YOUR DECISION

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- a. You have chosen to purchase the insurance cover in the "Recommended Benefit(s)" Columns and the premiums are indicated in the attached illustration(s) under "Personal Risk Recommendation(s)"
- b. You have chosen to purchase the insurance cover set out in the "Your Preference" Columns. This differed to the actual advice given to you by me. The reason for your decision:

*It seems that you have not shared your decision with us.*

## SECTION 5 - AUTHORITY TO PROCEED

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The following has also taken place:

- I have given you a RFA Disclosure Statement & a Scope of Engagement
- We have talked about your personal circumstances and insurance needs in a way you understand and have answered all your questions;
- We have discussed the benefits and limitations to this insurance product.

If I haven't done all these things, DON'T SIGN THE AUTHORITY TO PROCEED.

You should also read the documents I have given to you and check that the personal information is accurate and ask me any questions if you have any. By signing the Authority to Proceed, you agree to purchase the product/s I have recommended or that you have selected in this Insurance Plan.

You also warrant that you have provided us with accurate and correct information to the best of your knowledge. If the insurer underwrites your policy application and discovers that you have provided is not accurate or correct, this may affect, or result in the cancellation of, policy coverage. You further agree to indemnify and release us from any responsibility in this situation.

### What you need to tell us

1. Always tell the truth. Insurance is based on the principle of utmost good faith. Put simply you have a positive duty to provide the insurance provider with all information that a prudent insurer would want to take into account in deciding whether to insure you, and if so, on what terms. The information you do provide must be truthful, complete and correct information about yourself, including your health and medical history. This is called your duty of disclosure. Your duty of disclosure extends to the date the contract of insurance is concluded between yourself and the insurance provider. For example, you are required to tell the insurance provider if you are diagnosed with a medical condition after the date of your application but before you agree to any terms of cover they may offer. If they offer to cover you, you will be insured on the basis of the information you have provided.
2. Answer questions as fully as you can. Applying for insurance involves responding to a number of questions. Your answers need to include as much detail relating to your current and past circumstances as possible. While this may take time, it is important to ensure that the insurance provider has all the information they need when they make the decision to insure you and on what terms.
3. If in doubt, tell the insurance provider. If you are uncertain of the relevance of any information, our advice is to include it on your form because, even if you aren't sure, it may be important to the insurance provider. If someone else is completing the form on your behalf, it is important that you check that the information is correct and nothing has been left out.
4. If you don't know something, say so. If you say that you don't know what the answer to a question is and the insurance provider thinks they need more information about your answer to a question so they can offer you insurance, they will need to obtain the information from somewhere else. By signing the declaration and consent, you give them your consent to get this information.
5. Know what you're signing. By signing the declaration on your form, you are saying that you have answered all the questions completely and to the best of your knowledge, as well as providing any other information that may influence the insurance provider's decision about your policy. If you are uncertain about any of your answers, ask the insurance provider or your adviser before signing the declaration.
6. How non-disclosure affects claims. When you make a claim the insurance provider may look further into your personal history. If they discover that you did not comply with your duty of disclosure, they may either alter the terms of your policy retrospectively which might affect your claim, or they may avoid your policy from its inception, which means that you would not be able to make a claim as no policy would exist. It does not matter if the material information is about a condition unrelated to your claim.
7. Help the insurance provider to help you when you need to claim. Depending on what you tell them on your claim form, they might need more information to make a decision about your claim. They may get this information by calling you, asking you to fill out another form or asking you to take a medical test. Sometimes the insurance provider will need to get information from other people who may include your doctor, your employer, ACC or other government departments. By signing the claim form you give them your consent to do this.
8. Know what you are consenting to. The insurance provider can only request information that they need to assess your application for insurance or for payment of a claim. At all times, the information they hold about you is your information, you have the right to access and, if it is wrong, to ask the insurance provider to correct it.
9. Don't be afraid to ask. If there is anything you're not sure of, don't be afraid to ask for help.

### What you need to know from us

#### Benefit types

Products are generally defined as being 'benefits' in Insurance terms. Below are definitions of common types of benefits.

#### Health insurance

Health insurance is designed to protect you and your dependants against any financial constraints arising due to hospital care or an operation.

#### Income protection

Income protection can provide you with a monthly payment if you are unable to work due to sickness or injury. There are two types of income protection: indemnity and agreed value.

##### Indemnity

Provides a monthly benefit up to your insured amount or 75% of your earnings prior to disablement (whichever is the lesser).

##### Agreed value

Provides a monthly benefit for a percentage of your gross remuneration package, agreed at the time you take out your policy.

#### Waiver of Premium

Waiver of Premium is designed to take care of your policy premium payments while you are on claim due to sickness or injury.

#### Trauma (living assurance)

Trauma insurance (living assurance) is designed to pay a lump sum to you if you suffer a defined critical illness, to help you cope with its impact on your lifestyle, family and work.

#### Total permanent disablement

Total permanent disablement insurance pays you a lump sum if you suffer an illness or injury that prevents you from ever working again. To make a claim, you would need to be off work for a minimum period of time, generally three months and be deemed to be totally and permanently disabled.

#### Life cover

Life cover is a lump sum paid upon the death of the insured, or the diagnosis of a terminal illness in accordance with the policy conditions.

#### Accidental death

Provides a lump sum should you die as a result of accidental injury.

#### Family protection

Family protection is a monthly benefit paid upon the death of the insured, or the diagnosis of a terminal illness in accordance with the policy conditions.

#### Optional benefits

These are additional benefits that can be added to a policy in exchange for additional premium.

## **Benefit terms**

The benefit term is the maximum period for which the benefit is payable, as stated in the policy documents. This will be the duration of the sickness or injury or the time stated in your benefit details, whichever is the earlier. This timeframe could be a set time or to a set age depending on the product.

## **Waiting periods**

The waiting period is the time you must wait before a benefit is paid. You choose the waiting period in consultation with your adviser. Wait periods vary from two weeks to two years, with multiple options in between.

## **Benefit amount/Sum assured**

The benefit amount is the level of cover that you have on a particular product. This may show as a lump sum amount or as a monthly amount depending on the benefit type.

## **Benefit indexation**

Some benefits have an indexation option which allows the benefit amount/sum assured to increase annually in line with inflation. When the benefit amount/sum assured increases, there is a corresponding increase in premium.

## **Standalone vs Accelerated**

There are two main types of benefit structures, accelerated and standalone.

Lump-sum benefits such as life, trauma and total permanent disablement are the covers affected by a standalone or accelerated structure.

Under an accelerated benefit structure, the life cover benefit for that life assured will decrease by the amount paid under a claim on other lump-sum benefits.

With a standalone benefit, when a claim is paid the payment does not affect any other lump-sum benefits.

Benefits such as health insurance and income protection do not affect lump sum structures.

## **Premium structure**

There are two main types of premium structures, level and rate for age.

With level cover, your premium stays the same for your chosen timeframe. This can be 10 years, to age 65 or to age 80. Generally, your initial premium under this structure is higher, but the base premium remains constant throughout that timeframe. While the base premium remains constant, your premium will still increase for benefits that are indexed.

With rate for age cover, your premium is based on the age you are now and increases each year with age.

## **Policy ownership**

Policy ownership dictates to whom the proceeds go in the event of a claim. There are numerous options ranging from individual ownership and joint ownership to ownership options for business structures. The ownership may vary on each product.

The policy owner can change the ownership of the policy to fit the insured's requirements as these change. The insurance company will pay all benefits to the policy owner, or to the insured's estate. If more than one person owns the policy then the insurance company will pay all benefits to the policy owners jointly or to the survivor(s).