

Case Studies - Insuring Your Friends

2010 AFA Adviser of the Year, Steve Salvia, shared with riskinfo a case study that highlights the importance of 'doing the right thing' for those close to you, whether they are friends, family or other close personal associates.

Steve's friend and client suffered significant, life-threatening injuries as a result of being an innocent victim in a speedboat accident whilst diving off the coast of WA. The nature of the injuries he sustained meant he was totally disabled and unable to continue in his occupation as an instrument/electrical fitter.



Managing Director, Southern Financial Strategies,
Steve Salvia: persisted in insuring his friend

Prior to the accident, Steve saw his friend on a regular basis and mentioned on several occasions over a three year period, without success, the need for his friend to ensure he had financial protection in place for himself and his family, if the worst should happen.

Fortunately Steve persisted and eventually saw to it that his friend secured appropriate death, trauma and income protection cover for his needs.

The task of writing cover in this case was made more difficult because of the fact that Steve's client was also a close friend and he didn't want to compromise their friendship or create an uncomfortable atmosphere between them as a result of his desire to

ensure his friend took out appropriate insurance cover. "I have always felt that it is my responsibility to ensure that those closest to me have a financial plan and risk protection strategy in place," he said.

Unfortunately there is no happy ending to this brief story. After his accident, Steve's friend commenced receiving total disability benefits via an income protection contract that paid a benefit through to age 65. A lump sum trauma payment was also made to assist with some upfront costs including house renovations, modifications and costs of assisted care, including pain relief.

But after an extended period on income protection benefits, the friend's condition worsened and he eventually passed away, leaving behind his wife and young family.

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The only compensation in this tragedy was the fact that Steve persisted in his efforts to ensure his friend took out the right cover to protect his life and his family's lifestyle. The outcome would have been much worse if he had not. "My clients had substantial

life insurance protection to cover final expenses, clear all debts, and provide funds to be invested to replace income for a substantial period of years," said Steve.

For Steve, this story highlights why he embraces his role of providing quality financial advice: "This is why we do what we do," he told us, adding that if he can't help his friends, his family and others close to him, then he is not properly honouring his role as a professional financial and wealth protection adviser.

Steve's story contrasts with a few stories related by other advisers, both privately and publically, where close friends have passed away or been severely injured, but who possessed little to no insurance cover. Their regret was that they let their personal friendship get in the way of what they knew had to be done to protect their friends and their families.

Steve's message to other advisers is a simple one: "Don't be scared to sell our knowledge, experience and expertise, including to those closest to you." ♦

– Adviser Quotes –

"The best way to take care of the future is to take care of the present."

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