



# Suggested Template

## Personal Statement of Advice v2

### **Purpose**

The following document has been developed by the risk store for advisers, after steady demand over 5 years, to assist with the time-consuming task of creating a meaningful, client friendly document for delivering clear advice to personal clients in the life insurance space (there is a separate document for business entity advice).

Throughout this document wherever possible, the language has been aimed at plain English communication and there is a consistency of theme in the method of describing (i) the advice process itself and (ii) the risks of the financial impacts of unexpected health events and the solutions for those risks; what we would call insurance advice...but in language that will enhance clients' understanding of those risks, instead of bamboozling them with jargon and product based language.

### **Use**

The risk store does not purport this to be a complete or compliant Statement of Advice: no disclaimers or disclosures are catered for in the template wording. Every licensee will have its own requirements and compliance guidelines in this regard and we strongly recommend that sign-off be obtained from your licensee. The risk store cannot be held responsible for the use or content of this document – it is merely a useful and time-saving support tool, which we expect you will adapt and tailor to the final result you want.

### **Copyright**

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“Group” rates are available to any dealer group who would like to adopt this template for their advisers to use – just contact Pete Wincott on 0416 009 403.

### **AN IMPORTANT WORD ABOUT 'WORD' FORMATTING:**

One of the reasons this document saves time is its auto-formatting structure.

Some knowledge of formatting in Word, including Table of Contents functions, fields coding, etc is necessary to effectively use this document. Please be aware that copying and pasting from the text will bring formatting with it. TEMPLATE IS COMPATIBLE with most planning/CRM software e.g. Xplan, Coin, AdviserLogic, Decimal, Midwinter, etc.

Please do not refer queries of a formatting nature to the risk store during your use of this document. These are best answered by a handy little book called Word for Dummies, or by Word Help.

INSERT YOUR LOGO HERE



## Personal Statement of Advice

### Statement of Advice For

«Client\_Name1»

«Client\_Name2»

### Prepared by

«Advisor\_Name» of «Advisor\_Business\_Name»

Authorised Representative of

«Licensee Name»

ABN «ABN»

Australian Financial Services Licence Number «AFS\_Licence»

Authorised Representative Number «Auth Rep No»

**Phone: 07 1234 5678**

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**Date Provided on 24 January 2017**

**This document expires on 27 September 2020**

Document Version Number: 1.0

This Statement of Advice has been compiled using data collected via the Personal Client Information Form (fact find). If there is any information that is incorrect, that has changed since completing that form, or that you do not understand please contact «**Advisor\_Name**» immediately. Incorrect information may lead to incorrect advice being given. It is important to note that advice contained in this document is limited to life risk insurance.

## HOW WE HAVE FORMED OUR ADVICE

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### Your background plus our research

#### About the plan recommendations:

There are several funding solution options available, described using the generic product names on the different columns below. A brief explanation of what these products do is set out below the table. The effects of these product solutions for you is described on the next page.

A best outcome can be achieved by a combination of insurance products, that will pay benefits according to what might happen to one or both of you. No one insurance product type will cover all potential outcomes. Where we have calculated an amount of funds needed and there are existing assets that can be used to help provide the funding needed (such as your superannuation account balance), we have allowed for this/these asset/s to be used in the calculation. This avoids the possibility of over-insuring. All such considerations are contained in the full record of our original discussions about your goals and needs, captured in Appendix 2. For ease of understanding and to link to the solutions listed on the next page we have summarised these amounts here.

**NOTE TO USERS: WHERE THERE IS EXISTING INSURANCE BEING MAINTAINED AND/OR ASSETS TO BE DISPOSED OF, THERE WILL BE A DIFFERENCE BETWEEN FUNDING NEEDS ANALYSIS AND NET FUNDING REQUIRED**

«Client_Name1»	Life	TPD	Trauma	IP	BE
Funding needs analysis	\$683,830	\$668,830	\$668,830	\$56,250	\$0
Net funding required	\$683,830	\$668,830	\$668,830	\$56,250	\$0
Insurance recommendations	\$683,830	\$668,830	\$668,830	\$56,256	\$0
<b>Surplus (Shortfall)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$6</b>	<b>\$0</b>

«Client_Name2»	Life	TPD	Trauma	IP	BE
Funding needs analysis	\$654,323	\$639,323	\$639,323	\$39,750	\$0
Net funding required	\$654,323	\$639,323	\$639,323	\$39,750	\$0
Insurance recommendations	\$654,323	\$639,323	\$639,323	\$39,744	\$0
<b>Surplus (Shortfall)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$(6)</b>	<b>\$0</b>

#### What do these products do?

**Life:** also called Term Life - it pays a lump sum on death, or allows for an early payout for terminal illness expected to lead to death within 12 months.

**TPD:** is Total and Permanent Disablement and pays a lump sum if you qualify by being likely not to ever work again. You must fit the relevant definitions, which we can discuss if you wish. It's an important component as many illnesses and injuries leave you disabled but with a reasonably long lie expectancy.

**Trauma:** pays a lump sum on the occurrence of a long list of illnesses or injuries that may not leave you disabled long term but are traumatic at the time of occurrence, treatment and recovery and can be life-changing and costly.