

# The Good Times

Steve (Advisor): How are you doing?

Judy (Client): Great! I just received a big raise and got promoted to Executive Account Manager.

Steve: Congratulations!

Judy (Client): Thank you.

Steve: What else is happening?

Judy: Now that I'm making more income, I'm thinking of buying a house and increasing my investments.

Steve: Wonderful. Last time you were in, we placed your life insurance policy. After reviewing your financial plan, it looks like it may be time to start thinking about disability insurance. I know you and your husband have different feelings on the importance of income protection, but I do believe it's a necessary part of a complete financial plan.

Judy: Well...I know you've brought this up before, but I'm not sure I understand the value of it. My husband says that with our incomes, it's just not something we need.

Steve: The more income you have, the greater the loss if you become disabled and were no longer able to work. Does your family rely on the income you are bringing in?

Judy: Of course! My income pays for our rent and will pay for our mortgage once we buy a house. But we have plenty of savings, so I'm not worried about missing a bit of work because I broke my arm or something.

Steve: Well what would happen if you got diagnosed with cancer and you had to miss work for 1-2 years? Would your savings last that long?

Judy: Well, maybe not, but we always have my husband's income. And if we needed to, we could take a bit out of our retirement fund.

Steve: Would losing your income and relying only on what your husband brings in change your current lifestyle? What would happen when all your savings were depleted?

Judy: Well I guess I've never imagined myself being disabled for such a long time... That can't happen that often right?

Steve: Actually, 30% of Americans ages 35 – 65 will experience a disabling event for more than 90 days. It's much more common than you think. How many people do you know that have been diagnosed with cancer or have suffered a heart attack? We often only think of the physical toll these events take on a person, but not on the financial toll they take as well.

Judy: Well maybe it is something we should look into. Could you prepare some options for me for our next meeting?