



From Karen's desk

Unlocking the value of Sanlam's new Income Protector for your client

#4 Did you know?

Our enhanced Income Protector benefits provide exceptional value to young clients:

- 1 For young clients their biggest asset to protect is their **ability to earn an income**. This protection is required over a very long term, making income protection ideally suited to provide for this need, compared to lump sum products where provision can run out. If a young person were to become permanently disabled, the long term financial provision provided by an income protection solution is unsurpassed:



Mr C, 30 age next birthday, is a bright young engineer with a promising career ahead of him. His intermediary assisted him with putting proper income protection cover in place with Sanlam – R40 000 per month Sickness Income and R40 000 per month whole-life Extended Income, for a payment of R301 per month, with CPI-cover growth.

After being in a serious car accident, Mr C becomes totally and permanently unable to perform his occupational duties as an engineer. His income plan provides a steady monthly income of R40 000 per month, increasing with CPI on an annual basis, up to age 70, resulting in a total pay-out of close to R60m*. During this entire time his monthly payments are waived, and if at age 70 he also qualifies for one of the impairment claim events covered by the Extended Income benefit, he will receive further monthly pay-outs until he dies.

The above amount can be expressed in today's terms using an appropriate discount rate, but the purpose of the above illustration is to show the staggering Rand-cent value a long term income benefit can **provide if it was simply put in place ahead of time**.

And with our **Cashback options**, coupled with our built-in **Wealth Bonus** pay-outs, clients who don't claim will also benefit from having put the necessary cover in place.

- 2 Another important advantage of income protection benefits is that it also provides cover for **short term, temporary inability to work**. This is especially important for younger clients, as they have not had as much time to accumulate wealth and create a financial buffer for short term interruptions in income.
- 3 Young professional clients may qualify for **larger cover amounts** than implied by their current salary, to acknowledge the exponential growth curve of certain occupations below age 30.
- 4 Our new Extended Income- and Extended Income Plus benefits include **Built-in Future Cover for Young Lives** – this feature enables qualifying clients younger than 35 to purchase death cover with little or no medical underwriting at a future life event. It is useful for young clients who do not yet have debt or dependents and initially only require disability cover.
- 5 Unlike most other insurers, there is **no need to inform Sanlam of any changes in occupation** after cover has started – a very beneficial feature for younger generation clients who are more likely to change their occupation over the lifetime of their cover.

These are just some of the ways in which a Sanlam Income Protector policy can be of immense value to your young working clients.



For more information

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