



So, I Died. When to Claim on Life Insurance?

Theo Marinis takes the opportunity to go over some practicalities while lying outside an operating theatre on his near-deathbed. Having recovered, he shares what he realised.



By **Theo Marinis**

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There is something about lying outside an operating theatre wondering whether you've been forgotten or if, perhaps, the procedure was too minor to bother about while suffering bouts of gallstone pain, which lends itself to reflect on one's mortality.

It occurred to me that while I had in place business continuity plans, personal life insurance and estate plans and even an 'In Case of Fire, Break Glass' file for my family, I hadn't considered the processes they and others would have to go through to move on, not just emotionally, but financially.

There was some comfort knowing that our business is protected, and that my Board of Advice have a documented process to follow, a process which has been fully endorsed and understood by my family. It also occurred to me that we need to ensure that my staff team is fully briefed, and that we should (and will do) a "dry-run" to learn what gaps exist.

(My Board of Advice is an advisor/sounding board that gives me advice and counsels me in regard to my financial planning business. It deals with the "Key Man" risk that my business faces given I am the only principal and shareholder of my practice. The members include a business coach and other consultants. In the last 12 months in particular we concentrated on formalising and documenting my contingency plan.)

I expect my family, in traditional Greek style, would go into full-on emotional shut down, and 40 days of mourning would commence. The harsh reality is that the sooner they claim

on my life insurance policy, the better off overall they will be. Another issue I realised – I manage our cash flow tightly so there would only be a month of cash immediately available.

It is at this point that my Board of Advice have been authorised to step up and act on the family's behalf. In concert with my senior staff members, they would ensure that immediately on issue of a death certificate (remember to get at least a dozen certified copies), my life insurance claim will be processed.

One of my Board members will assume the role of family representative / business principal, to ensure the continuity of service to our clients, and allow immediate family and our extended 'work' family to grieve in their own way.

Our clients will be contacted and assured of business as usual via our loyal and caring key staff and reminded that our systems and processes remain robust.

As well as our clients, a first and foremost recipient of the news of this demise must be the regulator, ASIC, and – to make sure everybody is on the same page – our lawyer, accountant and the bank.

There is also the not unsubstantial issue of superannuation, which will transfer to my wife. In due course, and after this process has been managed – say, six months down the track – a new family financial plan will need to be drawn up. I know this will be handled sensitively by my office, based on the directions in my 'In Case of Fire, Break Glass' file.

Our lawyer, who is also a great friend, will need to get the process of probate underway for my will, which, in my home state of South Australia, usually takes six weeks. Some other jurisdictions are slower.

Whilst transferring ownership of superannuation, house and vehicles will be reasonably straightforward (though still a hassle for the family) the ownership transfer of our company will take some time, even with my lawyer and accountant working promptly and co-operatively.

It will also be expensive. Good advisers need to be paid appropriately. For example, I cannot ask my nominated Board of Advice member to parachute into my seat and put his own business on hold without the payment of a professional retainer.

My “pre-op” ponderings made me comfortable that I have planned for my premature demise, but it really did make me realise that even with a great team around me, such an unwelcome outcome will cost emotionally, financially and a lot of other people’s time. I can only recommend planning as much as you can while you are on two feet – because going into surgery is probably the last time you want to discover any gaps. That was my “Eureka” moment.

This article was written during my convalescence and I am incredibly grateful to my surgeons and their teams.

Theo Marinis is Managing Director of Marinis Financial Group.

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