

CLIENT CASE STUDY #4

CASE STUDY:

Who:

Dentist

Age:

Age 29 – Engaged, without dependents

About:

- Working as a full time associate (contractor)
- Debt of approximately \$210,000
- Some Disability Insurance already in place
- RRSP and TFSA investments with a Segregated Fund Advisor
- Not spending more than she was making



What the Client was Interested in Accomplishing

- Originally:
 - An overall plan that included/balanced the following:
 - Paying off debt
 - Healthy short term savings for: wedding and house down payment
 - A long term savings plan so her retirement was covered
 - Overall financial brainstorming when she had questions
 - A way to protect her income should they get ill
- After exploring our Dream Journal Process:
 - Having a team approach to her finances – legal, accounting and financial

Problems in the Initial Situation

- There was no real plan that integrated all the financial buckets already put in place
- No investment strategy



We Recommended the Following/Implemented the Following for the client

- Based on the positive monthly cash flow and life insurance needed to cover the debt/future family - a Participating Whole Life Investment
- Leave the existing disability insurance in place
- She is now protected in case of an illness – it is also a forced savings plan, therefore, if in year 15 she cancels the plan, 100% can be refundable, if remained unclaimed
- Consolidate the Investments
 - lower fee structure
 - more transparency
- Generating a Visual Financial Dashboard to visually see where income and expense were flowing in her situation
- Integrated insurance planning with CDSPI
- High Interest Savings Account for saving for Taxes, House Down Payment and Wedding

Future Items to Explore

- Benefits of Incorporation and the appropriate time to incorporate
- Spousal RRSP planning

5 Point Summary of the benefits for the client

- She is now protected in case of an illness – it is also a forced savings plan as in year 15 if she cancels the plan is 100% refundable if she has not claimed
- She has secured a life insurance policy at a low rate due to being so young. The savings account inside the policy will provide a lucrative retirement nest egg once she is in retirement. The policy also starts at a lower death benefit and increases over time to account for getting married and taking on a mortgage
- Lower fees on the investments
- She understands the actual investment strategy behind where her money is invested

