

Are You Truly Providing For Your Childâ??s Happiness?

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How can I ensure I will always be able to provide for my childâ??s happiness no matter what happens? In the event that I have to pay for a sudden increase in my bills, the money shouldnâ??t have to come from my childâ??s developmental classes or other things that he will enjoy as he grows up.

This realisation really hit home recently when we had to deal with a sudden increase in expenditure as Nateâ??s recent medical checkup necessitated the start of speech therapy sessions, which certainly do not come cheap. Thankfully, both my husband and I are still working so we can still finance this, but I shuddered at the thought of what would happen if one of us were no longer contributing to the household finances due to unexpected circumstances. With that in mind, I went about building a safety net â?? diversifying our sources of income, life insurance, critical illness, and emergency savings.

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As a parent, all I want is for my child to grow up safe, healthy and happy. Thereâ??s nothing more precious to me than my babyâ??s laughter, and the look of pure, unadulterated joy on his face as he visits a new place, tries out another new activity, or even going for his favourite Heguru classes.

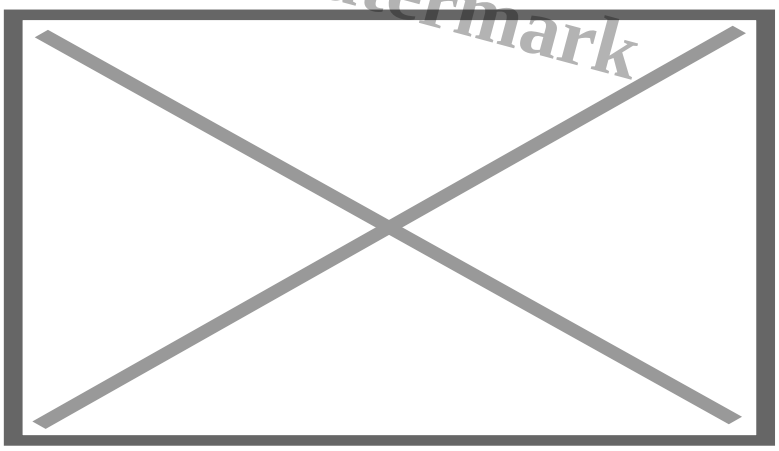
And thereâ??s a lot that we want to be able to give him to help him reach his fullest potential, especially if it is for activities that he enjoys â?? art classes, gymnastics, musical lessons. As a huge believer of experiences, weâ??ve also brought him out on trips to the zoo, Snow City, Sentosa, and even family vacations overseas â?? some are free, but many of these do not come cheap.

However, Iâ??ve seen many cases of parents who had to put all of these to a halt due to financial difficulties when an unexpected event hits. But the last thing I want is to have to stop my sonâ??s art or hobbyist classes or say no to a gift that we would have otherwise bought for himâ?¦just because we need the money to pay for a hospital bill first.

So we made sure we had contingency plans in place to prevent exactly that, instead of having to cut from what we would have otherwise given our child.

To avoid having to run out of our own funds, we topped up our life insurance and critical illness coverage. We also increased our liquid funds for any short-term emergencies otherwise.

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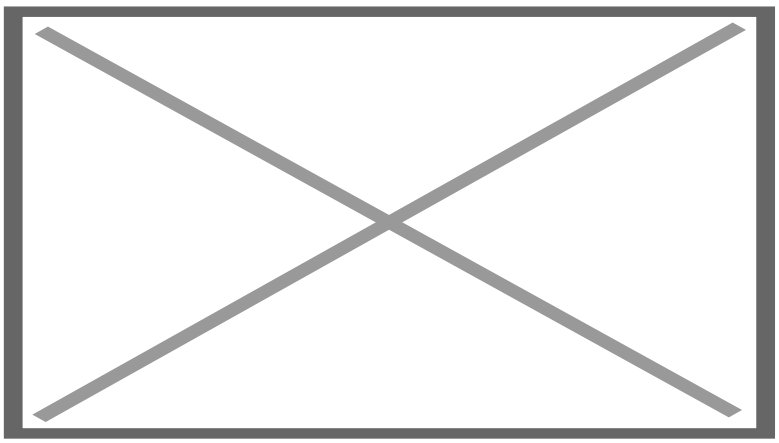
Watching Incomeâ??s latest advertising video feels like a reminder of what we did, and why we did it.

In the video, a mother sings to her baby about the future. Both parents watch on as their daughter grows up and starts preschool, where she gets her first exposure to a piano. They try out many new experiences together, when suddenly the mother feels faint â?? the first sign of her cancer. Her husband takes over, bringing their daughter around while his wife goes for her medical treatments.

Life for their daughter goes on as per normal, except that the mother is now conspicuously absent in the scenes. She even gets a piano for her birthday (exactly what she wanted), even though it must surely be a considerable expense with the medical bills at that point.

Her husband then turns to his wife at the end of the video and says, things would have turned out differently if we werenâ??t covered.

The song Semoga Bahagia (which stands for may you achieve happiness) fades to an end, a reminder of how thereâ??s nothing more precious â?? or more important â?? than our childâ??s happiness. Fellow parents, Iâ??m sure I wasnâ??t the only one who cried while watching the video.



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One of the Korean dramas I recently completed (The Memorist) showed how a father was driven to commit fraud because he needed money to provide for his genius daughter and nurture her talents. It may be an extreme example, but the story made me wonder â?? how do some parents handle it if they donâ??t have the money? I know that if I had to suddenly stop Nateâ??s activities due to unexpected financial issues, even though he loves them and looks forward to every class with excitementâ?¦my own feelings will kill me on the inside.

Having to make a choice between our childâ??s happiness and their (immediate, unexpected) needs can be painful.

But the good news is, if we protect our own downside, we may never have to make that choice.

What insurance do I need to get?

We started by thinking about what were the major areas that we needed coverage for, as parents, and I recommend that you do the same. Hereâ??s one example of how you could potentially pull this off with Income:

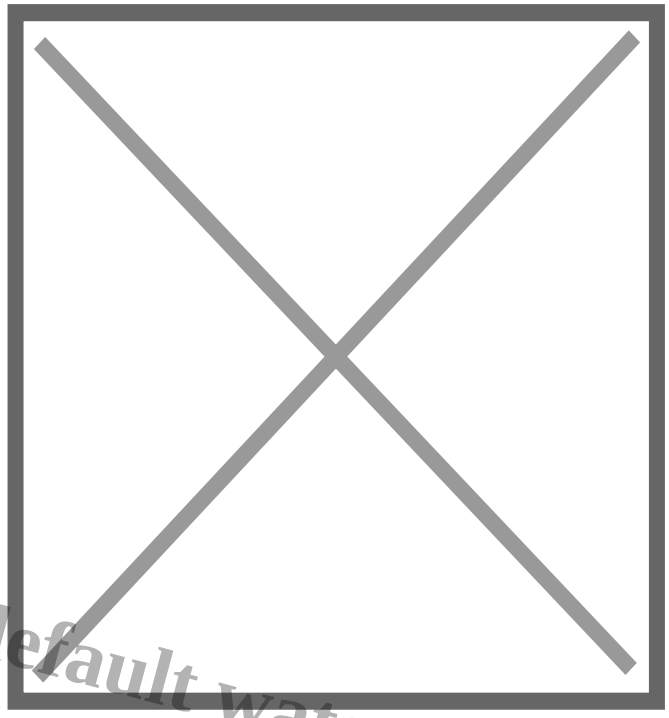
Needs	Solutions	Coverage	Monthly Premiums for 30-year-old Mother	Monthly Premiums for 33-year-old Father
Life *Provides coverage for death, terminal illness and TPD (TPD before age 70)*	Star Assure	$100,000 Sum Assured X 300% Multiplier	$160.00	$194.00
Critical illness (CI) *Includes protection against future unknown diseases (e.g. COVID-19) as well*	Advanced Assure Accelerator	$100,000 Sum Assured X 300% Multiplier	$129.00	$121.00
Early and Intermediate stage CI *To enhance coverage to 121 medical conditions and for early / intermediate stages where conditions are being diagnosed earlier thanks to medical advancements*	Early Assure Accelerator	$50,000 Sum Assured X 300% Multiplier	$69.25	$66.50
Hospital Cash Allowance *To receive a payout for hospitalisation*	Hospital CashAid	$100 (Sum Assured) per day	$16.90	$16.90

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Incomeâ??s Star Assure also come with a retrenchment benefit, whereby in the event that you are retrenched and unable to find employment for 3 consecutive months, you can apply for a waiver of premiums.

Note: Non-smoker, monthly premiums payable over 20 years (weâ??ll be in our 50s then). You can also choose from the flexible premium terms of 5, 10, 15, 20, 25 and 30 years, or even up till the age of 64. Hospital CashAid rider premiums will be based on the insuredâ??s age and policy anniversary. Multiplier applied to sum assured refer to Minimum Protection Value which in this example is 300% (there are other percentage options 100%, 200%, 300%, 400% or 500%) of the sum assured before the anniversary immediately after the insured reaches the age of 70, selected at the start of the policy and is applicable upon death, total and permanent disability or terminal illness. Retrenchment Benefit: You need not pay for premiums on the main plan for up to 6 months only if you have paid at least 6 months of premiums and you can only claim this once. TPD = Total and Permanent Disability. More info on Advanced Assure Accelerator and Early Assure Accelerator here.

Although not illustrated in the above example, some parents also opt for other insurance and top up with standalone cancer plans. While it may be tempting to buy as much coverage as possible, work with affordability as your main guiding theme.



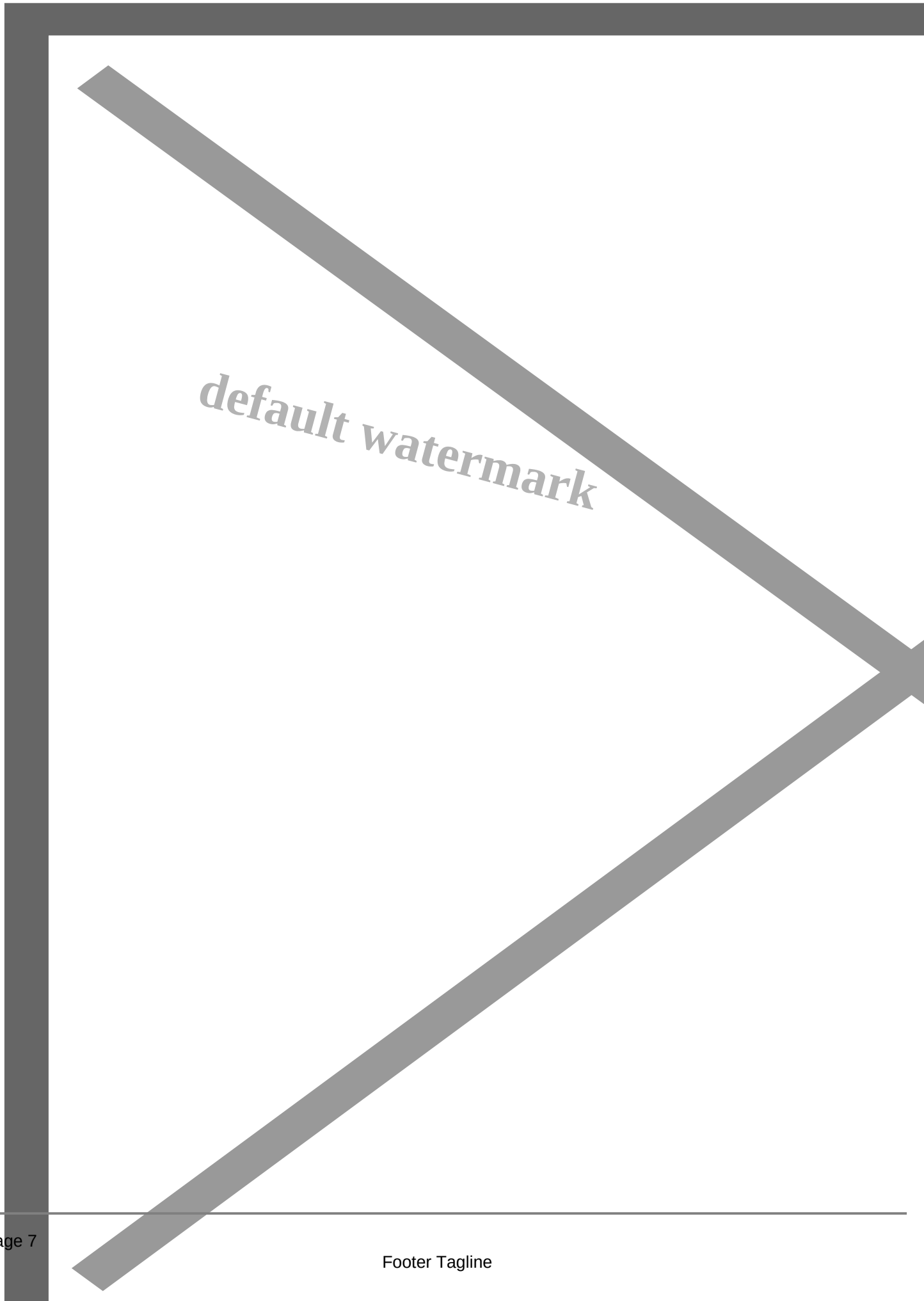
Once we had gotten our necessary insurance plans settled, the next place we looked at was to grow our emergency savings. In the past, I used to stash away 6 monthsâ?? worth of living expenses, but ever since our son was born, weâ??ve increased this to 12 months *(just in case it takes us up to 1 year to find another job).*

I almost quit my job to become a full-time freelancer, but in the end, we decided that it would be safer to have just one self-employed person between the two of us. The pandemic has reinforced this as my husbandâ??s income got affected, but mine remained intact, so Nate didnâ??t have to stop any of his activities.

Insurance. Savings. Income.

Your choice of tools might differ, but ultimately, whatâ??s important is to focus on getting what you need so you donâ??t have to give up on what you least want to.

That way, even if you have to take a break from work temporarily, youâ??ll never have to sacrifice your childâ??s happiness because money is an issue.


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Source: NTU

***** Sponsored Message from Income *****

With a life insurance plan for yourself, you can protect your childâ??s happiness for life and ensure you donâ??t have to put a pause on providing what makes your child happy. Let Income help you take the first step towards protecting your childâ??s happiness today. Learn more about plans that can suit your financial planning needs here.

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This advertisement has not been reviewed by the Monetary Authority of Singapore. Information is correct as of 5 October 2020.

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Category

1. Family
2. Insurance