

The Importance of Personal Insurance

Most people spend a lifetime earning what they've got. Our lives, good health and our earning capacity are the basis of our wealth and the way we look after ourselves and our families.

Specifically, for most working Australians our income is the most important asset we have.

How would we maintain our lifestyle, personal relationships and financial commitments if we were unable to earn an income because of a sickness or an injury?

For any working Australian, an Income protection insurance policy is absolutely necessary. If you're temporarily or permanently unable to work because of sickness or injury; it will pay up to 75% (in some cases more) of your monthly income. This income will ensure that your lifestyle needs continue to be met and investments are not realised prematurely. It will therefore also ensure peace of mind and help ensure personal relationships are not damaged due to the stress of a loss of income in the household.

Have you thought then about how your family or your partner would cope financially if you lost your ability to earn an income? It's not surprising that most people don't like to think about this, but the reality is that illness and accidents are risks we all face.

Now consider not only the emotional impact, but also the financial and re organisational impact, if you or your partner were to face such a devastating event. Ask yourself, do you have enough cover and how would you carry on?

Let's consider the following facts:

1. A Cancer council survey has found that three in four Australians are diagnosed with a serious illness every year.
2. One stroke event occurs in Australia every 12 minutes
3. 50,000 Australians have heart attacks every year

There are four major personal insurances that are available from a financial adviser:

4. Income Protection Insurance – provides a monthly benefit (usually 75% of your monthly income) if the insured person is unable to work due to an illness or injury. This policy is tax deductible.
5. Trauma Insurance – provides a lump sum payment if the insured person suffers one of a list of specific conditions such as cancer, stroke, heart attack etc.
6. Life Insurance – provides a lump sum payment if the insured person dies or is diagnosed with a terminal illness.
7. Total and Permanent Disability – provides a lump sum if the insured person suffers total and permanent disablement.

Too many of us have little or no concept of what personal insurance cover we have and more importantly what level we actually require.

Could this be you? To help identify whether you may be under-insured let's consider some questions.

Firstly, do you have any cover? If you are uncertain, a good place to start is to check is your superannuation statement. Your superannuation account may have a level of life insurance, Total and Permanent Disability insurance and income protection insurance. Once you've uncovered how much insurance you have, it is important you read your policy terms and conditions (i.e. with income protection insurance: the benefit period, the benefit amount and the waiting period are the three key features to review).

There is no better time than the present to sit down and review your personal insurance requirements. Make it your priority to consider your needs and the peace of mind that adequate insurance would bring to you and your family. Contact our office on p: 02 4943 4876 if you wish to make an appointment to review your cover today.



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