

Why is it important to have insurance? Insurance gives you financial protection.

Insurance protects you, your family and your business in the event of the unexpected. You can buy insurance that pays an amount if you:

- die
- become terminally ill
- become disabled
- suffer a specified trauma condition, e.g. heart attack/surgery, cancer, stroke, blindness.

This money will help you, your family or your business in so many ways.

In the event of death, it could pay off your mortgage so that those you leave behind will have a roof over their heads. It could pay for the education you planned for your child. It could pay for child care so your spouse could return to work.

Many people make the mistake of thinking of insurance only as a way of leaving money behind when they die. They don't realise that many people need insurance while they are living. You might need to pay for home care while you recover from a trauma, or make changes to enable you to stay in your home if you are disabled. You will need to keep up with your financial obligations as well as the everyday costs of living such as food, clothing and electricity if you are unable to work.

Or perhaps you need the insurance for business purposes. Just because you can't work doesn't mean your business expenses disappear. You may still have to pay your lease, staff salaries, suppliers, amenities bills and many ongoing costs.

Did you know:

- 90% of Australian adults have at least one modifiable risk factor for heart, stroke and vascular diseases and 25% have three or more risk factors. *Source: Australian Institute of Health and Welfare (AIHW) 2004. Heart, stroke and vascular diseases – Australian facts 2004. AIHW Cat. No. CVD 27.*
- It is expected that 1 in 3 men and 1 in 4 women will be diagnosed with a malignant cancer in the first 75 years of life. *Source: Australian Institute of Health and Welfare 2004. Australia's health 2004. Canberra: AIHW.*
- One in 11 women will develop breast cancer by the age of 75. *Source: The Cancer Council NSW 2003.*
- Injury is still the leading cause of death for people under the age of 45. *Source: Australian Institute of Health and Welfare 2004. Australia's health 2004. Canberra: AIHW.*
- In 2003, there were 3.9 million people (20% of the population) in Australia whose lives were affected by an impairment, activity limitation or participation restriction. Of this amount, 2.6 million were under 65 years of age. *Source: Australian Institute of Health and Welfare 2006. Disability and disability services in Australia. Canberra AIHW.*
- Every working Australian has a 1 in 3 chance of becoming disabled for more than 3 months before turning age 65. *Source: Calculations based on data from the Institute of Actuaries of Australia 2000. Interim Report of the Disability Committee. IA Aust: Sydney.*
- Each year there are approximately 370,000 people in Australia with a brain injury, and over 160,000 people who are severely affected by acquired brain injury and need some form of personal assistance or supervision of everyday living. *Source: Definition, incidence and prevalence of acquired brain injury in Australia, 1999 – AIHW.*

Types of Cover

Life Insurance

Life insurance, also known as term insurance, covers your life and pays a lump sum on your death or diagnosis of terminal illness. It's one of the easiest products to understand and it's usually the first one people think of. It may:

- allow your family to repay debts including mortgage, personal loans, guarantees, credit cards and store cards
- provide an adequate income for your dependants to pay for living expenses, school fees, child care and regular bills
- protect your business if a key person or principal dies
- create a cash injection to the estate, which may prevent other assets being sold.

Total and Permanent Disablement (TPD) Insurance

TPD insurance pays a lump sum if you become totally and permanently disabled and therefore are unlikely to ever work again. TPD is about ensuring that you retain as much quality of life as possible. It can:

- provide funds to allow a family member to give up work to care for you or, alternatively, to fund other home care
- provide funds for ongoing medical costs or rehabilitation
- allow you to repay debts including mortgage, personal loans, guarantees, credit cards and store cards
- pay for any major renovations required to your home (for example to permit wheelchair access).

Trauma Insurance

Trauma insurance is about protecting your lifestyle and providing you with choice. It provides a lump sum on diagnosis, or occurrence, of one of a list of specific injuries and illnesses such as heart attack, cancer or stroke. It can:

- pay for unexpected medical costs
- provide for lifestyle changes
- provide for the potential need of professional care at home
- repay large debts such as a mortgage
- allow you to make lifestyle changes, such as reducing work hours, by providing additional income.

Income Protection Insurance

Income protection insurance provides a monthly payment generally up to 75% of your pre-tax income if you are unable to work due to sickness or injury. You can also insure 100% of the Superannuation Guarantee Contribution paid by your employer. It can allow you to:

- provide for yourself and your family
- continue to pay your mortgage, bills, credit cards and other debts and,
- keep all your investment strategies in place.

To find out more information, please contact our Insurance staff.



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