

Insurance needs – protecting your money

People often underestimate their true value and their insurance cover. Skimping on premiums is a minor saving, and major gamble, when compared to the cost of recovering what you've lost.

There are three major types of insurance you should think about:

Life and Total and Permanent Disablement (TPD) insurance

Life insurance pays an amount in the case of your death, and TPD in the case of an injury or illness which renders you totally incapable of work. To consider how much cover you need take a look at the financial burden you're carrying now, and would face in the case of an accident.

This table will help you understand what you, and those who depend on you, will need.

LUMP SUM AND ONGOING EXPENSES		\$
Funeral costs / Legal fees (average around \$12,000)		
Credit or store cards		
Personal Loans / Car Loans		
Mortgage		
Investment Loans		
Emergency fund (usually at least \$10,000)		
Children's education (estimate annual cost and multiply by number of years for each child)		
Annual living expenses (multiply the number of years this annual income is needed eg. for the rest of your spouse's life)		
Legacies (for charities or other loved ones)		
TOTAL A		
WHAT YOU HAVE NOW		\$
Assets that can be sold immediately if needed (the value of any savings, investment, or other assets that can be sold or converted to cash)		
Existing superannuation accounts	Account balance	
	Insurance Cover	
Any existing life insurance policies that are not attached to superannuation		
TOTAL B		
Now take TOTAL A away from TOTAL B . This gives you the amount you need to think about when setting up your insurance to cover.		\$ _____

Any questions? Call 1800 046 166 or visit: www.moneysolutions.com.au

This table is provided to give you an idea of how much insurance you need. It is not to be considered financial advice. Speak with a Financial Planner or Coach before making any insurance decisions.

Income Protection

This gives you a continuing income in the case of job loss or injury (conditions vary) for usually up to two years. Generally, the amount is between 75% to 90% of your salary (depending on the policy terms).

Trauma Insurance

It is paid as a lump sum when you are diagnosed with one of a variety of specific medical conditions like cancer, heart attack, head trauma, severe burns and stroke. It is designed to help make life easier by giving you a lump sum to pay off some debts and help with medical and rehabilitation expenses. This type of insurance is not usually offered by superannuation funds but is available through insurance companies.

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**This fact sheet is intended to provide information of a general nature only.
We have not taken into account your personal goals, financial situation or needs.
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