

Adviser Information



Income Protection

Protect Your Way Of Life

If something happened to you and you were unable to work, would you have enough money set aside to cover your day-to-day bills and look after your family?

Even if you think you'd be 'okay', how long would things be okay for?

These are the questions that thousands of Australians are faced with every day.

While many think 'It won't happen to me', the statistics don't lie. It is estimated that one in three Australians will be unable to work due to illness or injury for a three-month period, or longer, during their working life*.

Confronted with this situation, many Australian families experience significant financial difficulty, sometimes with no income for more than three months.

Income protection insurance allows you to continue to receive a monthly income of up to 75 per cent of the income you were earning prior to becoming too sick or injured to work.

Income protection policies are very flexible depending on your individual circumstances, and importantly, they give you the financial security you need to be able concentrate on recovering without having to worry about your bills.

Income protection can be held either within your superannuation or outside of your superannuation account. You should check with your superannuation fund to see if it can include income protection insurance, and if the benefit offered is enough to provide you with a sufficient income in the event that something happens to you and you are unable to work.

Could you afford not to have income protection insurance? Contact us to find out more.



Brendan's story

Brendan is a 32-year-old plumber who earns \$98,100 per annum. He and his wife have a \$400,000 mortgage, with repayments of \$2,800 a month. Brendan is very healthy and with a child on the way, he wanted to ensure that his family would be protected if something happened to him that made him unable to work.

Brendan did some reading online but wanted professional advice about whether to buy income protection insurance through his super account or not, so he contacted his financial adviser. Together, they decided that having income protection outside super would place him in a better financial situation, so he went ahead with an income protection insurance policy outside his super account.

While walking home from work one evening, Brendan slipped and severely twisted his knee. After obtaining medical advice, he underwent a knee reconstruction and was unable to work for about four months while his knee healed. His private health insurance was able to cover most of the medical costs, but that still left the income that family would lose while Brendan was unable to work for the four months?

Fortunately, his decision to take out an income protection insurance policy for \$6,131 per month covered 75 of his gross income (inclusive of all his superannuation contributions), with a 30-day waiting period.

As recommended by his financial adviser, Brendan also took out an accident option, which meant he would receive 1/30th of his benefit for each day that he was totally disabled, for up to a month. This payment would be backdated to the day he became disabled, with the first payment available after the first 30 days.

Since Brendan satisfied this definition, he was able to receive the full \$6,131 after the first month of total disability, and \$18,393.00 for the remaining three months that he was unable to work. This meant that Brendan was able to concentrate on recovering, safe in the knowledge that his mortgage, car loan and family's lifestyle would be taken care of while he was disabled.

This case study is fictional and all figures are a guide only; they are not intended to be advice in relation to the insurance you may need.

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