

# Protecting your lifestyle

## Ages 20 – 30

Don't need insurance at your age? Think again. Although you may not have financial dependants such as children or a partner, and you may not yet have a mortgage, think about those financial responsibilities you might have.

### THINK ABOUT IT

Think about the lifestyle your income currently provides you. What would you do if anything happened to you, such as illness or injury, which impacted on your ability to earn an income? How long would your savings last if you were unable to earn an income? One month? Two?

How would you meet any financial obligations you may have, such as:

- Rent
- Car Loan Payments
- Credit Card
- Phone Accounts
- Hire Purchase
- Personal loans

Income Protection Insurance can replace up to 75% of your income if you become ill or injured. In addition to assisting in meeting your financial obligations and maintaining lifestyle, Income Protection Insurance can also give you choices in selecting the treatment you prefer and the luxury of time to recuperate if you were to be injured or ill.

Nobody plans to fall ill or become injured, however if this were to happen to you Income Protection Insurance could provide you with some financial certainty so you can concentrate your energy on recovery.

**Speak to your financial adviser about whether Income Protection Insurance is right for you.**

### INCOME PROTECTION ILLUSTRATED

John is aged 26 and works as a Sales Manager. He earns \$75,000, is single and has no dependants. He rents an apartment with a good friend and has just purchased a new car on finance. While he has just started to save some money, he is spending a large portion of what he earns on enjoying the lifestyle that his income affords him before he settles down.

John loves to ski. On his most recent trip to the snow he tore a ligament and required a knee reconstruction. He was unable to work for three months. While John's employers were accommodating in giving him time to recuperate, his sick leave entitlement was only 11 days after which his income would cease.

Fortunately, John had an Income Protection plan that his financial adviser had recommended to him. The policy provided John with 75% of his salary for the period he was unable to work, which he used to pay his rent, car payments and the physio fees.

If not for the policy, John would have had to borrow from his parents, take out a substantial personal loan and possibly sell his new car. He may even be forced had to move back home. Having the policy in place enabled John to avoid making these changes and to take his time recuperating.

This case study is for illustrative purposes only and the terms and conditions of insurance will depend on the particular insurance policy purchased.

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