

# Protecting your wealth

## Ages 46 – 55

You may have worked hard to establish your career and you may also be at the height of your earning potential. If you have children, they are growing up fast or have left home and you are looking forward to spending more time on yourself.

### PREPARE FOR THE UNEXPECTED

Unfortunately, during this period of your life when things are starting to come together financially, any unforeseen accident or serious illness could quickly undo all the hard work you put in to reach your current financial position.

Even the best planning cannot prevent some incidents from happening in life. However you can take measures to help protect the financial future of your family.

### DID YOU KNOW?

- About 25% of male and 15% of female deaths in 2005 were of persons aged under 65.<sup>1</sup>
- Of the working population, 1 in 6 men and 1 in 4 women are likely to suffer a disability from the age of 35 to 65 that causes a loss of 6 months or more work.<sup>2</sup>
- 1 in 3 men and 1 in 4 women will be directly affected by cancer before they reach the age of 75.<sup>3</sup>

### THINK ABOUT IT

The financial future of your family and your lifestyle you have worked so hard to create could be at risk if you do not take the time consider your insurance needs:

#### Income Protection

The government requires that 9% of your income is put towards building an income stream after the age of 65 for your retirement. Is your income stream protected between now and retirement? What would the impact on your family be if your income stopped for 6-12 months? Income Protection can replace up to 75% of your income if you are ill or injured.

#### Trauma Insurance

Unfortunately most people know someone who has been impacted by a serious illness. In the event that you should suffer a serious illness, Trauma Insurance pays a lump sum that can help you to replace lost income, cover medical costs and have the financial peace of mind to focus on recovery.

#### Total & Permanent Disability (TPD)

Perhaps the worst thing that can happen is suffering a Total and permanent disability. What would you do if you were permanently disabled and could not generate an income again? TPD cover pays a lump sum if you suffer from total and permanent disability. This can be used to help pay off your debts and replace income you would have earned up until retirement.

#### Life Cover

Consideration should be given to providing for your family in the unthinkable event that you die. You can aim to provide enough to cover your debts and generate an ongoing income for your family. TPD cover pays a lump sum if you suffer from total and permanent disability. This can be used to help provide for those you may leave behind.

**Speak to your financial adviser about whether these insurance covers are right for you.**

<sup>1</sup> Australian Institute of Health and Welfare – Australia's health 2008

<sup>2</sup> Institute of Actuaries. Table IAD 89-83

<sup>3</sup> Cancer in Australian 2001 – Australian Institute of Health and Welfare and Australasian Association of Cancer Registries, 2004

## TRAUMA INSURANCE ILLUSTRATED

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John and Mary have been married for 20 years and are looking forward to having the house to themselves after their youngest son moves out on his own. They have just paid off the mortgage and are looking forward to spending some time and money on themselves.

John has been carrying Life Cover and Income Protection since they started their family. He was aware of the important contribution his income made to the family finances and the potential consequences if his income were to cease for some unforeseen reason.

John went to his financial adviser to review his Insurances in light of their upcoming household changes. John's adviser recommended that he reduce his level of Life Cover and add Trauma Insurance to his insurance portfolio. 18 months later, John was diagnosed with cancer. John overcame the cancer, but it was a tough 12 month battle.

Luckily for John and Mary the Trauma Insurance provided them with a lump sum payment which enabled the following:

- John was able to take extended leave from work to recuperate. John used some of the funds to supplement the income he was receiving from his Income Protection Policy
- Mary was able to take leave from her job to care for John
- John was able to seek the best treatment and focus all of his attention on getting better without worrying about finding the money to pay the bills.

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