

Why does insurance matter?

The unexpected events of the past few years have made financial protection a front of mind matter for most Australians. Now more than ever we appreciate that life does not always go the way we plan. Having a plan in place if things do take an unexpected turn can mean that our health, lifestyle and family are better protected.

If you don't have any type of personal insurance cover, or you have not reviewed it with your Financial Adviser for a while, now is a good time to do so.

Types of insurance

There are a few different types of insurance that you should consider, based on what matters to you and what you would most like protected if you were to suffer illness, injury, disablement or premature death. It's best to discuss insurance options with your Financial Adviser as they can tell you what different types of insurance policies are available, what they cover, and how to structure them in your overall financial plan, based on your individual situation and goals.

The types of insurance policies you may discuss are:

- Life insurance
- Total and Permanent Disablement insurance
- Critical illness insurance also called Trauma cover
- Income Protection insurance.

The benefits of an insurance policy

Family first

You and your loved ones count on your income to enjoy a certain standard of living, which is why insurance is particularly important if you have dependents. It means the people who matter most in your life are protected from financial hardship if your income stopped.

Less stress

Profound unforeseen illness, injury, permanent disability, and death –are not nice to think about but these events happen. If it happened to your family it would probably be an extremely challenging time, wrought with emotional stress, and even grief. With personal insurance in place, the financial stress can be reduced, allowing you to focus on getting well, and rebuilding your life.

Financial security

Illness, injury and disablement do not come cheap. If you needed funds to recover from illness or injury would you have enough disposable income to cover medical bills whilst still paying your household expenses? Could you modify the home if need be? Would you want access to the best medical cover, treatments and rehabilitation options?

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Insurance provides financial security so your life can continue with as much normalcy as possible, whilst you seek the best care available.

At a time when everything else seems out of control, it is good to know your financial security isn't!

The difference a Financial Adviser can make

Data collected by APRA found that in the case of Total & Permanent Disability cover, the "claim declined" rate was around double for claimants who arranged their cover direct with the insurer than for claimants who went through an adviser. In other words, you have a much greater chance of success with an adviser.¹

A Financial Adviser looks at your specific circumstances, your lifestyle, goals and appetite to risk. Together you can discuss personal insurance policies, tapping into their expert knowledge and understanding of the requirements of insurance providers. You can also discuss options for holding insurance inside and outside of superannuation and, should you need to make a claim on a policy, your Financial Adviser can liaise with insurance companies and superannuation entities on your behalf as your advocate.

If it's time to consider personal insurance cover, or you want to review your existing policy, a Financial Adviser is willing and able to assist you.

¹ APRA: Life insurance Claims and Disputes Statistics June 2021 (issued 19 October 2021)