

# Term life insurance



## You can't beat the odds forever

### What is term life insurance?

Term life insurance provides a lump sum payment if you die or, in some cases if you are diagnosed as being terminally ill. To be eligible for payment as 'terminally ill' a doctor must certify you have fewer than a set number of months to live, usually 12.

Benefit payment is usually excluded if you die or become terminally ill as a result of a self-inflicted act during the first 13 months of the policy being in force.

### What are the chances of dying as a result of a sickness or injury?

Age	Male	Female
35	1.1%	0.5%
45	1.7%	1.0%
55	3.6%	2.4%
65	16.5%	9.6%
75	48.8%	28.9%

\*Provided by the Australian Bureau of Statistics for 2002.

### How does term life insurance fit into my insurance portfolio?

**Income protection insurance** provides a regular fortnightly or monthly, earnings replacement payment if you suffer a sickness or injury and are temporarily unable to work. This will assist you to maintain your lifestyle and that of your family until you are able to return to work.

### What is wealth advice?

Wealth advice is support and guidance on the best way to manage all your finances. Whether it's adjusting your debts to minimise repayments, saving for a home or a holiday, investing money, planning for your retirement, maximising pension entitlements or ensuring your family are protected if something happens to you, the right advice from the right people will help you achieve your goals faster and more effectively.

**Business expenses insurance**

reimburses the owner of a small, self-employed business for ongoing, fixed business expenses that continue to accrue while the owner is unable to work because of a sickness or injury.

**Total and permanent disability insurance** provides a lump sum payment if you suffer a sickness or injury and are permanently unable to work. This will assist you to pay the additional expenses, both now and going forward, that arise as a result of a severe sickness or injury.

**Trauma insurance** provides a lump sum payment if you suffer one of a list of major medical traumas. This will assist you to obtain the best medical and rehabilitation care and also change your lifestyle if you wish.

**None of the insurances listed provide the same type of protection as term life insurance.**

**How much should I have?**

What are some typical issues and expenses that you will face if you become terminally ill?

**Personal issues:**

- finishing off unfinished projects;
- stopping work and spend time with family;
- obtaining best possible care; and
- fulfilling life-long wishes (travel, etc).

**Business issues:**

- finding a replacement for you in the business;
- top-up funds if business sold for undervalue;
- cost of estate administration; and
- business continuation feasibility study.

**What are some typical issues and expenses that you will face if you die?****Personal issues:**

- the most immediate one is ready cash to cover all the funeral expenses;
- repayment of mortgage, credit card and other debts;
- money to be set aside for future schooling needs of children and grandchildren;
- provision of funds for investment such that an inflation-linked income stream can be established for your family's future needs;

- funds to enable your estate to be divided equitably without the need to sell assets;
- ability to make charitable bequests;
- medical expenses; and
- a carer for the family.

**Business issues:**

- repayment of business debts;
- funds to allow transfer of equity ownership in the business;
- funds to enable you to be replaced in the business;
- removal of loan guarantees;
- loss of profits on projects in progress;
- reduction in business valuation due to loss of key person;
- protect business from creditors;
- maintenance of line of credit;
- loss of goodwill; and
- a replacement manager, allowing family the time to grieve and sell business.

*At Genesys, we want you to get the most out of life so you can take advantage of any opportunity and be prepared for any challenge — that's what wealth advice is all about.*

For more information on the services offered by Genesys Wealth Advisers, please contact us on 1800 066 577.

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