

Covering your bases

Is 'cheap' necessarily cheerful?

Television commercials abound which offer quick and easy insurance cover. But how good is the cover they offer?

It could be argued that the cheaper the policy and the less rigorous the application, the greater the chance you will be disappointed should you ever have to make a claim. It's not that the policy isn't necessarily good enough in its own right, it's rather that a generic off-the-shelf policy isn't tailored to your needs and could easily miss the mark.

For example, a life insurance policy without a medical examination may be simpler but typically it's also likely to cost more, and deliver less. It makes commercial sense when you think about it. If the insurer does not know your medical history, they need to cover themselves against all eventualities.

And so do you. That's why you should look at the entire suite of life products (life, total and permanent disability, trauma and income protection), so you know you are

properly insured should you be unable to earn an income and provide for your family. After all, your ability to earn is your most important asset.

According to the Financial Services Council's website Lifewise, a 25 year old male has a lifetime income potential of \$4.1 million.¹ If you suddenly find you can't work, then that's an awful lot of money to be foregoing. The disability support pension falls well short of the income potential amount, so it's a sound argument for making sure you have effective and adequate policies in place.

Looking at the whole package

There is a range of insurers out there advertising different policies, each with different levels of cover, and different exclusions and inclusions.

As a result you need to do your homework and make sure you have the right combination of policies to meet the needs of you and your family.



And that's where a professional financial adviser comes in. Rather than taking out various policies piecemeal, an adviser can look at your life situation holistically and provide a solution through fully underwritten policies designed specifically to meet your needs. By looking at the whole picture you can also consider the coverage you may have under your superannuation, and what you need to fill in the gaps.

Perhaps now is a good time to talk with us about the right insurance cover for you.

¹ <http://www.lifewise.org.au/do-i-need-insurance/your-income,-your-greatest-asset.aspx>