



Income protection - what's all the fuss?

Many people automatically insure their car, their home, even their boat, but overlook their most important asset - themselves.

Have you thought about what would happen if you were unable to work for an extended period?

How income protection works

Being able to cover your living expenses, such as groceries and utilities, rent or mortgage, personal debt and perhaps children's school fees, is all based on your ability to earn a regular income.

Income protection insurance (also called salary continuance) allows you to receive up to 75% of your income should you be unable to work due to illness or injury.

You can protect yourself with different levels of income protection insurance, with the cost of the insurance generally based on your individual circumstances, such as your age, occupation, number of dependents, current debts and level of savings.

For times where you cannot rely on your income, appropriate income protection insurance allows you and your family to meet your day-to-day expenses and maintain your lifestyle, while you focus on recuperating and getting back to work.

What are the payment options?

You can pay your premiums fortnightly or monthly, with some insurers offering a discount if you pay yearly in advance.

The good news is that, in most cases, these premiums are tax deductible.

Your super fund may also offer income protection insurance, which means your premiums are paid by your contributions and the earnings within your fund.

While this could allow you to increase your cover, given the cost doesn't impact your day-to-day cashflow, these premiums won't be tax deductible to you.

You could also check with your employer, as some companies now offer income protection to their employees at no cost.

However, this cover is usually based on your salary, which may mean you could be underinsured should something happen, so you may need to review what you are covered for, and what you actually need.

The value of financial advice

While income protection insurance can appear straightforward, working out the most appropriate cover for your needs takes time to figure out.

While applying for many online products looks easy, do you really know if they are suitable for your circumstances?

And what happens when it comes time to claim and you find out that you weren't covered for what you thought?

This is where an experienced financial adviser can really help.

With a deep understanding of how insurance works, they can help you to choose the most appropriate product and cover for your needs, while also managing any claims on your behalf.

Having someone to help you complete all the paperwork and deal with the insurance company is extremely helpful, at a time that can be very stressful for you and your family.

Getting some financial advice about your income protection insurance is especially important if you work in an industry or job with very specific risks, such as a medical professional, construction worker or civilian contractor working overseas.

Let us help protect you

With so much at risk, why not consider having a discussion with us to determine what your needs and options are?

We offer a range of insurance services, and can suggest a level of income protection insurance, based on your individual circumstances, which can help to protect you and your family.

Our initial discussions do not commit you to anything, they are simply a chance for you to find out what we can do for you.

Please contact our office today to make an appointment.

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