



# LIFE INSURANCE

Life insurance makes a payment to your loved ones if you die prematurely. If someone you love relies on your income, then you should insure yourself.

## HOW IT WORKS

Life Insurance is quite simple. You take out a policy and the insurer agrees to pay your loved ones a lump sum if you die during the term of the policy.

You nominate the person/s who you want to receive money and the insurer makes a payment to them. In some cases, the insurer will pay before you die if you are diagnosed with a terminal illness.

Most life insurance is 'guaranteed renewable.' This means that, once you start a policy with an insurer, they must allow you to renew that policy each year provided you do the right thing and pay your premiums in full and on time.

Life insurances can be complex, so it pays to talk to an adviser to ensure you get things right.

## SUPERANNUATION

Many people take out life insurance through a super fund. This can reduce the overall cost of the insurance because of tax advantages available within super. When people arrange to 'replace' the premiums paid from their super, their overall retirement savings are not affected.

## DO I NEED LIFE INSURANCE?

If your loved ones would suffer if you died, then you should seriously consider life insurance. Unless your loved ones have some form of reliable 'passive income' that would continue if you are no longer alive and able to work, life insurance is a critical component of a personal financial plan.

## HOW DO I ARRANGE LIFE INSURANCE?

The best way to take out life insurance is to see a financial adviser. The adviser can help you calculate the amount of insurance you need, what you can afford and how it should be arranged (for example, whether you need a combined TPD policy as well) and help you choose a reputable insurer with a good record of paying claims when they are made.

## WHAT HAPPENS IF I NEED TO MAKE A CLAIM?

The easiest way to make a claim is to ask us to arrange it for you. We are expert in dealing with insurers and can ensure that everything runs as smoothly as possible.

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The contents of this fact sheet constitute general advice only. You should not act on these contents without first seeking personal advice. To arrange personal advice, please contact us and we will be more than happy to help you out.