



Budget



+ wealth + security

Booster

September 2011

Why you need life insurance

Most of us do not hesitate to insure our car, house and other possessions. However, we often neglect to insure the most valuable asset, ourselves and our partners.

Did you know?

- 50,000 Australians have heart attacks every year.¹
- One third of women and a quarter of all men will suffer cancer at some stage in their lifetime – over 60% of whom will live for longer than five years after diagnosis.²
- 43,000 people died from cancer in 2010.³
- 70% of small business people are doing business without income protection (even though it's tax deductible).⁴
- Over 1600 people die on Australian roads every year, the majority of whom are aged between 26 - 59 years.⁵
- There is a one in three chance you will need to be off work for three months due to illness or injury before you turn 65.⁶

How would your life change if you had a sporting or work injury or if you were diagnosed with cancer?

Have you ever thought how you would pay your medical cost or keep up with the day to day bills? Not having insurance can erode your savings or worst still result in a financial crisis.

Generally, there are two types of life insurance products; Lump Sum payments and monthly income streams.

Lump Sum:

- Term Life cover: can provide a lump sum payment in the event of death or terminal illness.
- Total and Permanent Disability cover: can provide a lump sum payment if sickness or injury leaves you totally and permanently disabled.

- Trauma cover: can provide you with a lump sum payment in the event you suffer a serious medical condition (such as cancer, stroke or heart attack).

Monthly income stream:

- Income Protection cover: can provide a monthly income stream to help you meet your financial commitments if you are unable to work due to sickness or injury.

Around 6.3 million Australians are protected by life insurance policies, with claims in excess of \$1 billion being paid by life insurers annually.

Life insurance can be the safety-net to your financial well-being. In times of need, life insurance can assist with your day to day financial commitments (mortgage repayments, living expenses), which will give you time for your emotional and physical recovery and most importantly, enable you to spend time with your loved ones.

For further information on these products, please contact your PIS financial adviser.

¹ Heart Foundation, Australian Facts 2004: Heart, Strokes and Vascular diseases 2004)

² Cancer Council: (www.cancer.org.au), Cancer in Australia: an overview, 2008 Australian Institute of Health and Welfare (published December 2008)

³ The Cancer Council Australia, www.cancer.org.au, April 2009.

⁴ IFSA media release, Consumer guide to smarter insurance, 3 November 2006.

⁵ Australian Government, Road Deaths Australia 2007.

⁶ Institute of Actuaries of Australia, 2000: Interim Report of Disability Committee

** IFSA media release, Getting the edge with manage funds; Be prepared, December 2004

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