



## Protect your family and your financial future

Most people seek to achieve and maintain financial security and independence. However, no amount of surveillance can prevent the unexpected happening. Your financial plan may be impacted by events such as death, sickness or injury leading to a temporary or permanent inability to work, or a major medical trauma.

Insurance needs generally include personal insurance (e.g. life insurance) and general insurance (e.g. car insurance). Insurance creates an environment in which individuals and families can operate with peace of mind. Without insurance, the occurrence of unexpected and tragic events could effectively leave a family financially destitute.

Part of our job is to help you mitigate the risks that may cause your financial plan to fail. You are your most important asset and must insure your ability to generate savings, service debt and provide for yourselves. Insuring is a method of managing risk of loss by transferring the risk to an insurance company in return for payment of a premium. It allows you to outlay relatively small sums of money on a regular basis to protect against an event that, should it occur, may result in some degree of financial hardship. Personal insurance is dependent upon your unique individual circumstances.

Insurance cover	Description	Insure against these outcomes
<b>Life Cover</b>	Provides a lump sum payment to the family in the event of death or terminal illness of the insured person.	Loss of future earnings for the family and forced repayment of debt.
<b>Total and Permanent Disability (TPD)</b>	Paid as a lump sum if the insured suffers a disability and becomes totally and permanently disabled.	Loss of future earnings plus additional costs associated with medical care, rehabilitation & modifications to home & vehicle.
<b>Trauma Cover</b>	Provides a lump sum payment in the event that the person insured is diagnosed with a major medical condition such as cancer, stroke or heart attack, or specified medical conditions or injuries e.g. paraplegia (according to policy definitions).	Insufficient funds for medical costs, extra nursing care & day-to-day living expenses. Insufficient income due to lifestyle changes & reduced work hours for you or your spouse/carer. Unable to recover at own pace.
<b>Income Protection</b>	Provides the policy owner with a monthly replacement income, after a specified waiting period, e.g. three months, should the insured be unable to earn an income due to illness or injury. The maximum benefit is usually 75% of the insured's gross earnings. Premiums payable are usually tax deductible.	Inability to service financial commitments, cover bills and lifestyle expenses.

Some people would say that income protection is the most important insurance you could ever have. After all it covers the skills and abilities that earn money to fuel the rest of your life. Arguably, anyone dependent on their salary for things like their mortgage, cars, food and personal possessions (i.e. most of the population) should at least consider taking out income protection. This insurance is generally even more important if you are self-employed and your business relies on you, or if you have a family and a mortgage.

### Income Protection explained - the basics

By opting for income protection insurance, what you're effectively insuring is the ability to earn considerable sums over the course of your entire working career.

### What you get

The insurer pays you an income while you cannot work if you are sick or injured. The cause of your sickness or injury does not need to be work-related (in accordance with policy definitions).

### What it costs

As a rule of thumb, you can expect income protection to cost 2-3% of your annual salary. Income Protection premium may be tax deductible.

What you pay in premiums will depend on a number of factors:

**Age:** Generally speaking, the older you are, the more likely you are to suffer illness, therefore the premium you pay will be higher; smoking is also seen as an added level of risk.

**Occupation:** A manual or blue-collar worker such as a miner might be required to pay a higher premium compared to an office worker, who is considered less risky.

**Waiting period:** Periods range from 14 days to two years, and the shorter the waiting period, the higher the premium.

**Benefit period:** The maximum length of time your policy will pay your income if you are unable to work. Typical benefit periods are two years, five years or 'to age 65', and the longer the benefit period, the higher the premium.

### Personal Risk Management via Insurances –

We are able to provide an assessment of possible financial risks should you die prematurely, become disabled or suffer a critical illness.

The risk insurance side of financial advice involves gathering and analysing information about you, so that we can identify where your financial plan is exposed, and to what extent. Each client's circumstances are unique, so each analysis will be different. We will then determine what recommendations need to be made in order to mitigate your exposure to risks.

We are contactable by phone (**02 6188 4266**) or email [info@zawealthcreation.com.au](mailto:info@zawealthcreation.com.au).

For client testimonials, please visit [www.zawealthcreation.com.au](http://www.zawealthcreation.com.au)

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This advice is of a general nature only and does not take into account your circumstances or needs.

You must decide if this information is suitable to your personal situation or seek advice.