

Personal Insurance

Personal insurance encompasses insurance products used to provide income or capital in the event of illness, injury or death.

Often disregarded by many, personal insurance is a vital aspect of any long-term financial planning strategy. Not only for the individual that is taking out the cover, but also for those family members that rely on that individual for financial or physical support.

It is prudent to re-evaluate your life insurance policies regularly or when you experience a major life event like marriage, divorce, the birth or adoption of a child, or purchase of a major item such as a house or business.

The various types of cover include:

Life Insurance

Life insurance provides a lump sum benefit if the insured passes away. Life insurance benefits are often used to eliminate debts and provide a capital base to replace lost income for beneficiaries that were reliant on the insured person.

The goal of life insurance is to provide a measure of financial security for the remaining family members. Issues to consider may include:

- How will your funeral costs and final medical bills be paid?
- Will the mortgage be repaid or would your family have to relocate?
- Will there be adequate funds for future or ongoing expenses such as general cost of living, mortgage payments and education?

Total & Permanent Disability Cover

Usually linked with Life Insurance, Total and Permanent Disability insurance (TPD) cover provides a lump sum if you become unable to work due to a permanent disability. TPD insurance benefits are often used to eliminate debts, pay for medical expenses or fund any permanent lifestyle changes resulting from disablement.

TPD products vary in their definitions of what 'totally and permanently disabled' means. It is important to seek professional advice to ensure you have a strategy and product that allows you to claim under one of the policy's definitions which may include:

1. Unlikely to ever work in your 'own' or 'any' occupation again.
2. Permanently unable to perform 'Activities of Daily Living' without someone else's physical help.
3. Loss of sight or use of limbs.
4. Suffer significant cognitive impairment (dementia-type illnesses).

Trauma / Critical Illness Cover

Trauma cover provides a lump sum if you are diagnosed with a medical condition or undergo a procedure outlined in your policy. This may include a heart attack, major organ transplant, cancer or stroke.

This type of insurance is payable when life insurance and TPD insurance would not pay out since death or permanent incapacity have not occurred. Trauma cover is designed to help cover your medical costs and living expenses, providing you with some financial security during the important recovery period.

Income Protection

Income Protection provides a monthly benefit that pays up to 75% of your income if you suffer an accident, illness or trauma. Benefits are paid up until you return to work (after your waiting period). If you are unable to return to work, payments can continue up until retirement age at age 65. Income

Protection insurance is designed to ensure that you can continue to maintain your lifestyle by paying the mortgage and putting food on the table and carry on financially until you return to work.

Income protection premiums are tax deductible.

Please contact us for specific advice on any of these topics.

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