



Insurance

Smart financial strategies for women



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Insurance

Whether you are a working professional or a fulltime homemaker, your insurance cover needs to reflect the cost of replacing everything you do – including the things you don't get paid for.

The bulk of unpaid domestic work is typically done by women. On top of replacing this 'unpaid' contribution at home, there could be medical bills and extra child care costs to worry about. These all need to be considered when you take out insurance.

And it's not just women with families who are at risk; many single professional women do not have sufficient insurance to protect themselves and their incomes against sickness and injury.

Types of personal insurance

Life insurance

Generally, life insurance cover pays a lump sum amount to your nominated beneficiaries if you die. If you are diagnosed with a terminal illness, a lump sum amount may be paid to you. This money can help your family take care of the mortgage or any other debts, pay for your hospital and funeral costs, and provide an ongoing income for your dependants.

Total and Permanent Disability insurance (TPD)

A TPD insurance policy will generally pay you a lump sum or equivalent instalments if you become totally and permanently disabled. This money can help you take care of your mortgage and debts, pay your medical expenses and cover any necessary modifications to your home.

Trauma insurance

A trauma insurance policy generally pays a lump sum or equivalent instalments to your nominated beneficiaries if you are diagnosed with a specific illness or injury covered by the policy – such as cancer, stroke or heart attack. This money can help you pay for your medical expenses, take care of your mortgage and debts, and generally keep your household afloat while you focus on getting better.

Income protection

Income protection generally pays a monthly benefit of up to 80% of your income if you're sick or injured and unable to work. This money can help replace the income lost through your inability to work and can help you stay on top of your debts, pay for treatment and rehabilitation, and provide some breathing space until you can return to work.

Child insurance

A child insurance policy typically pays a lump sum or equivalent instalment if your child is diagnosed with a specific illness, suffers a serious injury or dies. This money can help you cover the costs of caring for a child, such as medical expenses, stopping work to take care of them, transport and accommodation costs or home adjustments.

Living expense insurance

Living expense insurance is designed specifically for people who work part-time or not at all – making it ideal for homemakers. Typically it pays an agreed monthly benefit if you become totally disabled. This money can help you pay for treatment, make any necessary modifications to your home, and help you keep the household running.

Insurance through superannuation

Taking out and topping up your insurance inside superannuation can be a cost-effective way to protect yourself and your family. Using your superannuation to pay your insurance premiums can have these benefits:

- **Tax effectiveness:** You may be eligible to purchase insurance inside your superannuation fund using pre-tax dollars – e.g. via salary sacrifice contributions – or using your employer's Super Guarantee contributions.
- **Increased cash flow:** Paying your insurance premiums inside your superannuation fund means you don't necessarily have to pay out of your pocket for insurance.
- **Convenience:** You can conveniently pay for your insurance premiums from your super fund, without ever having to worry about receiving bills or forgetting to renew your cover.
- **Cheaper premiums:** If you are part of a group or employer plan, your superannuation fund may have negotiated a lower premium rate for their many members.
- **Medical test exemptions:** Depending on the type of insurance offered within your superannuation fund e.g. group insurance, you may be automatically accepted for cover (up to certain amounts) – without having a medical examination or providing medical history.

Always check the level of insurance cover, the policy and the terms and conditions offered through automatic acceptance. When taking out insurance inside superannuation, you should bear in mind there may be different rules and timeframes around accessing your money in the event of a claim.

You should also consider making additional superannuation contributions, as your retirement benefits will be reduced by the premiums deducted from your superannuation fund.

Would you like more information?

To find out more simply call Nicole Liddle on (02) 6588 7687 or email nicolel@oib.com.au

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