

YOUR GREATEST ASSET

LIFE INSURANCE FOR PROFESSIONALS

What if a serious illness or injury stopped you and your high-earning career in your tracks? What if you could never work in your profession again – or even work at all? How would your family cope financially if you weren't around anymore?



Like house or car insurance, life insurance is something you have to have but hope you never need. Getting comprehensive life insurance cover, via an experienced financial adviser, is one of the smartest things you'll ever do – and will give you one of the most valuable assets you'll ever own.

Yet life insurance is one of the most misunderstood areas of personal finance. Confusion about types of cover, too much jargon, perceptions that insurers don't pay claims – there are lots of reasons why too many career professionals lack the financial protection they'd need if they got sick or injured – or worse.

INSURANCE MYTHS AND MISCONCEPTIONS



For any career professional, the issue is whether you and your loved ones could afford the financial and emotional cost of not having life insurance, should something happen to you.

“I don't have any dependents – I don't need life insurance.”

The umbrella term 'life insurance' includes a range of products that can protect not only your loved ones if you die but also your income, your health and your business interests.

Many of the claims payments made by life insurers are to people who suffer a serious illness or injury, receive treatment, recover and resume their lives and careers.

“Insurance companies do anything to avoid paying claims.”

In Australia, the facts simply do not bear this out. For example:

- Around 92% of insurance claims were paid out by Australian insurers in 2016. Disputed claims were only 3.5% of the total.¹
- In 2019 insurers paid out more than \$12 billion to 101,821 Australians and their families.²

“I've already got enough life insurance in my super fund.”

While having insurance cover within super is better than nothing, there are some things to bear in mind:

- Insurance in super usually offers generic group benefits rather than giving you personal cover tailored to the specific needs of you and your profession.
- The amount of cover provided may be far less than you actually need.
- While insurance within super can be cost effective, the premiums you pay are deducted from your super account and thus erode your retirement savings.

“It’s too expensive.”

While it’s true that life insurance premiums increase as you get older, the cost of cover is often less than people think. And some premiums – for example for income protection cover – are usually tax deductible.

Partnering with a financial adviser to arrange insurance cover will ensure that the premiums you pay are for cover and benefits that meet your specific needs, rather than being potentially wasted on cover that may be inadequate or inappropriate.

“I don’t like thinking about illness and death.”

As most medical professionals know, many people find illness, death or disability too awful to contemplate – until they have to. In fact, the issue of how their finances would be managed after their death was the number three taboo topic among Australians in a recent survey.³

While it may not be pleasant, it’s essential that you confront the question of how you and your family would manage financially if you got seriously ill – or worse. Talking to an experienced financial adviser makes this process far easier.

“It’s all too time-consuming and difficult.”

Understanding the different products, comparing providers, calculating how much cover you need and what it will cost – it’s little wonder that frustration and procrastination prevent many busy professionals from getting life insurance cover.

That’s why it makes sense to leave all that work to a financial adviser, whose experience and expertise will ensure you get the right amounts and types of cover, as well as coordinating the application process on your behalf.

YOUR EXPERT GUIDE TO GETTING THE RIGHT COVER

Partnering with an experienced financial adviser such as myself means you’ll have someone to steer you through the entire life insurance process. Here are just a few reasons to consult an adviser rather than go it alone:

Save time, money and hassle

I’ll cut through the jargon and help you navigate the different products available, work out how much cover you need, coordinate the application process on your behalf, and potentially save you money on premiums.



More than just life insurance

There can be many other benefits in consulting an experienced financial adviser. Obviously, some are purely money related – for example, in recent research 90% of advised clients said that getting advice has made them better off financially.⁴



Other benefits are less tangible but no less important, with around 80% of Australians saying that getting professional advice has given them greater peace of mind about their finances.⁵ Furthermore, nearly 50% see mental health benefits in getting advice and nearly 33% report improvements in their family life.⁶

Get the right amount of cover

Successful career professionals tend to have sophisticated financial lives with significant assets such as the family home, investments, and business ownerships as well as a mortgage, other debts, and major commitments such as school fees. Many hugely underestimate how much insurance cover they really need.



Buying life insurance from over-the-phone or online providers is relatively quick and easy only because they offer one-size-fits-all policies that take little account of your unique personal circumstances. Instead, I'll take the time to understand your situation and consider every scenario before creating a comprehensive protection plan to cover every element of your life.

More certainty a claim will be paid

According to the Australian Prudential Regulation Authority (APRA), insurance claims made by clients of financial advisers are generally more likely to be paid.⁷



The right plan for your working life

I can advise of any insurance products designed specifically for your profession. For example some insurers offer features tailored to medical practitioners or legal and financial professionals.



A friend and advocate at claim time

Many of my clients have found that the greatest value provided by an adviser is if they have to make a claim, which naturally can be a highly emotional and stressful time. Advisers will shoulder the burden of managing the claims process and act on their client or family's behalf in liaising with the insurer until the claim is paid.



WHAT NEXT?

It's time to set aside the misconceptions about life insurance and clear the hurdles standing in your way.

If you'd like to take the first steps towards getting the peace of mind a financial protection plan provides, please drop me a line or give me a call for an initial, no-obligation chat about how I can help.

Email

Phone

Licensee

1 *APRA and ASIC publish key industry data on life insurance claims*: media release, Australian Prudential Regulation Authority (APRA), 9 November 2017

2 *Life insurance awareness week: Data Day - detailed data reveals top causes of claim for the industry*, media release, Financial Services Council, 29 July 2020, based on analysis by KPMG

3 *Discussing death in top three 'taboo' topics*, Integrity Life, 14 May 2019, cited at insurancewatch.com.au

4 *The True Value of Advice*, IOOF research paper, December 2020

5, 6 *The Value of Advice*, research report, CPA Australia / CoreData Research, 2020

7 *Claims by advised clients generally more likely to succeed*, APRA, cited at riskinfo.com.au, 20 October 2020