

## Should I Consider Income Protection Insurance?

Income protection can be the financial safety net you need if you experience an accident or illness that means you can no longer work. A common misconception about income protection insurance is that it's only for high income earners, but this is not the case.

### What is income protection insurance?

Income protection insurance is a source of income paid out to you if you are temporarily unable to work due to an illness or injury.

You can't predict the future, but you can plan for it.

Nobody wants to consider an accident or illness impacting their health suddenly, but it's always a possibility. As well as changing your lifestyle, an unexpected illness could mean you need to take extended leave from work.

In a 2020 report by the Australian Institute of Health and Welfare (AIHW) on an average day, 100 Australians suffer from a stroke that could leave them permanently out of work. The AIHW also reports that accidental falls were the most common cause of injury deaths. It is tempting to think that if you lead a healthy lifestyle and make smart choices, you will be fine. But the reality is you can't predict the future, you can only plan for it.

### Why life insurance and income protection are not the same.

Unexpected death is absolutely a part of life we should all plan for. But an unforeseen total or partial disability, due to injury or illness, is a debilitating situation that can stop you earning a living, and is equally unwise to overlook.

### Do I need income protection if it's included in my super?

Most super funds offer income protection insurance for their members, which can be a cheaper option. But cheaper premiums can come with a limited level of cover. Your adviser can provide clarity around the level of cover you need.

### What does income protection cover?

Up to 70% of your monthly income is provided for a nominated period of time to help keep your household up and running, and to provide for your loved ones while you recover. In a nutshell, it gives you the freedom to rest easy knowing you, and your family, will be taken care of financially.

An inability to keep up with the mortgage, loan or credit card repayments can cause considerable stress when you're unwell. It is crucial to focus on recuperation at such a time, with full confidence that these debts can be provided for under your policy.

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