



It's time to talk insurance - why it's important and how to go about getting the right cover for the things in life you value most. Insurance is personal. Very personal. While certain celebrities insure their backside, most of us simply want to live a good life and know that whatever happens, we'll be able to maintain our basic standard of living and take care of the people and things we love. We don't like to think about disaster striking, but insurance is about minimising the impact when things do go wrong.

Exercise 1: Protecting what's precious

You can pretty much insure anything these days, at a price, so let's explore what's important to you and what you could or couldn't afford to happen if something went wrong. Think about the major assets you own (like your house or car) and the people or animals you love and depend on.

To start assessing your insurance needs, a good questions to ask yourself is "how much financial risk could I personally cover before needing insurance?" This will help determine what risks and belongings you need to cover, the level of cover you require and the 'excess' you can afford.

Less than \$1000 \$1000 – \$5000 \$5000 – \$10,000 \$10,000 – \$50,000 More than \$50,000

A good question to ask before reviewing you life insurance needs is "how long could your living expenses be sustained in the event of unemployment due to injury/sickness/loss of job?" If you live in a family unit, think about how long your family could sustain living expenses if one of the primary income earners could no longer work or passed away. Consider how much sick leave entitlements, access to savings, insurance policies, disposal of assets etc. you have access to. This will help determine the level of life insurance cover you need and the waiting period you can afford.

Less than 1 week Less than 1 month 1–2 months 2–3 months 3–6 months More than 6 months

IDENTIFY WHO AND WHAT IS IMPORTANT TO YOU	WHAT COULD GO WRONG? WHO AND HOW WOULD IT IMPACT YOUR LIFE?	WHAT FINANCIAL BUFFERS AND INSURANCE DO YOU NEED OR HAVE ALREADY?	IF YOU NEED ADDITIONAL INSURANCE, WHAT ARE YOUR FIRST STEPS TO
e.g. my home	A fire, which destroyed the building and my assets, would have a major impact on my life.	Property insurance, home and contents insurance.	I need home and contents insurance. I will research 3 providers for the best rate.
e.g. my pet dog Alley	Requires a major surgery	I have \$3,000 safety buffer saved for a rainy day	I will check that my safety buffer could cover the cost of most dog surgeries.



Exercise 2: A supportive insurance plan

What insurances are relevant to you in your current stage in life? Where are you over or under insured? What steps can you take to be super comfortable with your risk planning? Review what insurance you currently have, whether it fits you bill and any actions you can take to ensure you are covered, and that you have the best deal, whatever happens.

GENERAL INSURANCE For more information, check out: understandinsurance.com.au/

INSURANCE TYPE	WHO AND WHAT IS COVERS	INSURER & POLICY NUMBER	PREMIUM (\$)	RENEWAL DATE
e.g. Comprehensive Car Insurance	e.g. Toyota Camry BX21CL	e.g. AAMI #13101319	e.g. \$437.17	e.g. 8/11/2019

LIFE INSURANCE For more information, check out: www.moneysmart.gov.au/insurance/life-insurance

INSURANCE TYPE	WHO AND WHAT IS COVERS	INSURER & POLICY NUMBER	PREMIUM (\$)	RENEWAL DATE
e.g. Income Protection, Life Insurance, TPD, Trauma Insurance	e.g. Who's it for, level of cover, etc.			

My #1 action step to reduce risk if something goes wrong in the future is

10 minute challenge

If you need to review or purchase insurance, open your calendar and schedule a time to research more about insurance or call your insurer or super fund (if you have insurance through the fund). If you have your necessary insurance in place, set diary reminders when your policies are due. Have it notify you a month out so you can call and negotiate the best rate each year.