

# Income Protection For every life stage

Footloose and family free  
Young single and starting out

Income Protection will protect your lifestyle and you can claim it as a tax deduction

Aged between 18-29, this segment are gaining financial independence and saving for the next best thing-either a car, an overseas adventure or their first home.

They have no dependants and their first priority is furthering their career to support their savings as well as a relatively expensive social and recreational lifestyle.

They typically believe themselves to be invincible, having an attitude towards sickness and injury of 'it won't happen to me'.

## **Case study:**

Aged 26, Emma had graduated from University with an Interior Design degree and got a job as a junior designer at a large architecture firm earning \$55,000 per year.

Emma loved renting her one bedroom city apartment but was savings hard for a deposit for her first home. Still taking most financial advice from her parents, they wisely advised her to see a financial planner who recommended that she take out an Income Protection policy.

Emma's Income Protection policy provided her with a \$3,437 per month benefit.

One night, on her way to a family dinner, Emma was involved in an unfortunate accident where she was hit by a speeding car at a pedestrian crossing. Emma suffered a broken arm which required surgery and faced a period of 10 weeks off work to recover.

Although frustrated with her length of recovery Emma was relieved that her Income Protection policy provided her with the money she needed to ensure she could meet her rent and living expenses along with some additional funds to cover her medical expenses and rehabilitation.

## **What are the chances?**

It is estimated that 30,000 Australian were injured and required hospital treatment as a result of a motor vehicle accident in 2002. *Source : Land Transport Safety Authority 2002*

Did you know 89% of consumers have motor vehicle insurance but only 5% of consumers protect their biggest asset-their ability to earn an income, with Income Protection. *Source : Insurance Council of Australia, Consumer Trading Survey, January 2006.*

## **Income Protection recommendation:**

43% of 18-29 year olds have a household income of over \$60,000 (*Roy Morgan Research 2003 & 2004*).

They need to protect this income to be able to fund their :

- Rent
- Bills
- Education
- Lifestyle
- Savings for home deposit and travel
- Financial independence

Income Protection will provide another income source in case they are unfortunate enough to be affected by sickness or injury. For an individual who earns \$55,000 we recommend a protection plan with benefit payments close to \$3,500 per month, with benefit payments to age 65.