

## Life Insurance – The issues that you need to be aware of!

We all understand the basic need for Life Insurance. In the event a parent is to pass away, the payment from the life insurance policy is designed to provide our children with the financial security that they deserve. However, Life Insurance is one of those things that can get continually pushed to the side and not really addressed. Our aim is to enlighten you about the potential issues when implementing a Life Insurance policy and how best to address them. Thus, allowing you to address your need for Life Insurance in a quick and precise manner.

### **Potential issues when taking out Life Insurance**

***Pre-existing medical conditions*** – Insurers are often concerned when a person has serious pre-existing medical conditions, i.e. major complication for a caesarian. However, this can be overcome by pre-assessing an insurer's interpretation of your medical history and presenting the appropriate medical evidence of your current health.

***Choosing an appropriate insurer*** – With over 15 different companies in the Australian risk insurance market, it can be hard to identify the correct policy and insurer for you.

***Completing the application form and personal statement - (especially getting your husband or partner to complete the forms)*** – These documents can be long and require a lot of information and thought. They are best completed when presented in a clear and concise manner.

***Completing the appropriate underwriting requirements*** – Depending on a person's medical history, an insurer may ask for additional information from your G.P or ask you to complete blood tests, medicals, etc. This can mean lengthy delays for the implementation of your Life Insurance policy. However, there are ways to exclude the need for these requirements.

### **So how much cover do I need?**

#### **Parents with younger children**

- Needs estimated to be 10 –13 times taxable earnings (full-time)
- \$500,000 – \$650,000 (on average)

#### **Parents with older children**

- Needs estimated to be 6 – 9 times taxable earnings (full-time)
- \$300,000 – \$450,000 (on average)

Taking all of the above issues into consideration, a qualified and experienced Financial Adviser will be able to guide you through any potential issues and implement a risk insurance solution which is appropriate for you and your family.

As is evident above, the implementation of life insurance can be tricky. But when addressed with the help of a professional, the process can be made much easier. To access comprehensive Life Insurance and Income Protection advice please contact Fortitude Financial Management on 1300 79 98 39 or visit [www.fortitidefm.com.au](http://www.fortitidefm.com.au).