

YOUR GUIDE TO...

How Life Insurance works

Life Insurance, also known as Death Cover, helps prepare for the unexpected by providing for you if you're diagnosed with a terminal illness, or for your loved ones in the event of your death.

You or your loved ones can use that payment however they wish: for day-to-day living expenses and mortgage repayments, through to children's school fees or to provide security in retirement.

How am I covered?

Life insurance provides a lump sum (one-off) payment to you if you're diagnosed with a terminal illness or to your loved ones when you pass away.



GETTING STARTED

It's a good idea to start by finding out if you have any existing cover.

In the past, many super funds automatically provided a level of cover to their members, particularly if they joined the fund through their employer. Recent legislative changes have altered the way insurance is provided through super, so check with your fund to see whether you have any cover in place.

How do I get Life insurance?

You may already have a level of Life insurance through your super fund so it's worth checking what you have in place already. Having Life insurance through super is often cheaper, plus you have the flexibility to change the level of cover if you need to.

You can also buy Life insurance from:

- a financial adviser
- an insurance company.

What information do I need to apply?

When you apply for Life insurance, what you need to provide will vary depending on whether your policy is through your super fund, financial adviser or directly from an insurer. At most, you may be asked personal details such as your financial information (income, assets you own), occupation, medical history and lifestyle (your smoking status or whether you have high-risk hobbies).

What happens if I need to make a claim?

Whoever you obtained your Life insurance from (your super fund, employer, adviser or insurer) should be the first point of contact for you or your estate or beneficiary (the person/s you nominated to receive the life insurance payment if you were to pass away).

They'll each have a slightly different claims process, but generally they'll ask for documents that support the claim. These could include a death certificate or medical reports from a doctor.



DID YOU KNOW YOU CAN CHANGE YOUR COVER TO SUIT YOUR NEEDS?

We know life changes all the time, whether it's something planned or something totally unexpected.

Either way, there are a number of options available if you think you need to adjust your life insurance cover.

You can apply to increase or decrease your level of cover. You can also choose to cancel your insurance altogether if you decide it's not right for you.



Where can I go for more help?

If you're looking for more information, there are lots of tools and resources available, including online calculators that can help you decide what level of cover might be suitable for you. ASIC's MoneySmart website is a good place to start: moneysmart.gov.au

You can also get in touch with your super fund to understand what cover you have and to help you decide whether it's right for you. Or if you have a financial adviser you can speak to them if you have any further questions.