

Life Insurance Tips

Life insurance is something that should be considered by everyone. However, due to the confronting and confusing nature of the issue, it is something that many people try to avoid. This newsletter provides some insight into the issue and some helpful tips for when it comes to getting life insurance.

A recent survey conducted in the United States regarding the kinds of people perceived to need life insurance shows that many people feel that only people who lead high risk lives need life insurance. Many people believed that Batman would need life insurance more than Marge Simpson due to Batman's high risk lifestyle. However, this is not the case. If something was to happen to Marge, Homer would be forced to either work less or pay someone to help with the children. Without life insurance, Marge may be leaving Homer unable to provide for their three children. It is important to remember that life insurance is designed for ordinary people in everyday situations so that they can make sure that their family is able to cope financially in the future.

There are a number of options available to people who wish to obtain life insurance, and often, the sales people from the number of different life insurance agencies are simply trying to sell people as much life insurance as they can, regardless of whether the client needs that amount of cover or not. The different types of life insurance available include life insurance, total and permanent disability insurance and income protection insurance. When trying to decide the best type of insurance for you, it is important to consider your lifestyle, family situation and what you wish to achieve out of obtaining life insurance. Some tips for getting the right life insurance for you include:

- Be careful of life insurance providers who accept commissions
- Determine the amount of debt that you need to pay off
- Add on the ongoing expenses of your family (can be calculated by the amount of expenses per year multiplied by the number of years of support required)

It is also a good idea to keep in mind that the amount of cover required may change over the course of your life. For example, if you get married and have children, you may require more cover compared to when you were single. Therefore, it is a good idea to review your cover when lifestyle changes occur.

For further information regarding life insurance, you should contact your current insurance broker, or alternatively, Hobbs and Associates may be able to provide you with some assistance and recommendations regarding life insurance.

Information from:

Mackay, T 2011, Who Needs Insurance – Batman or Marge Simpson, Charter, Vol. 83

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