

Facts of life.....

- There are more than two million Australians of working age with a disability¹
- In 2008, over 140,000 Australians were likely to be seriously injured at work²
- 690,000 Australians were injured at work in 2005 -06, with 43% receiving no form of financial assistance³

As the name suggests, income protection is the best way to protect your current income if you are unable to work due to illness or injury. This type of policy can pay up to 80% of your gross annual income, in monthly benefits to cover your living expenses. Income Protection premiums are also tax deductible, which could greatly reduce the cost of your insurance.

Practically speaking – protect your greatest asset

You may need income protection if you have:

- Debts such as a mortgage, credit cards, or personal loans you couldn't pay if you were unable to work due to sickness or injury
- Little or no savings
- The need for regular income to pay ongoing family expenses such as food, household bills, rates, school fees or running a car
- Your own business, or own it with partners and have ongoing business costs and expenses
- A family and want to know they are financially protected if you are unable to work

Meet Nikolai

Nikolai is 28 years of age and enjoys his job as a self-employed carpenter. He is debt free and enjoying life in a rental apartment by the beach. Nikolai only has living and entertainment expenses to worry about. When Nikolai started to experience persistent back pain, he went to see a specialist to ensure it was nothing serious. Unfortunately for Nikolai, his specialist discovered that he has a herniated disc in his lower spine and ordered him to rest and perform only light duties for four months. Having only 10 days sick leave left, Nikolai was lucky that he took out an income protection policy which paid a benefit in this instance. With 80% of his income being paid, Nikolai was able to take time off work and meet his rent payments and day-to-day living expenses without stress.

To ensure you correctly identify how much insurance you have and how much you need, you should seek advice from a financial Adviser. Speak to your local expert, Guy Callaghan who can assess your overall financial situation and help you make the right personal insurance decision.

¹ 'Disability Facts and Statistics', Diversity@work, 2008

² Julia Gillard, Safe Work Australian Awards, April 2008

³ 'Australian social trends 2007', Australian Bureau of Statistics, August 2007



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