

# Have you underinsured your spouse and/or the primary care giver?

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*When reviewing insurance, most of the time the focus is on the primary income earner. However, have you thought of the unfortunate situation where the primary care giver is no longer able to run the household and/or look after the children?*

Are you going to have sufficient continuing income to meet your ongoing cost of living, service your debts, continue to care for your children and household and/or provide full time care for your spouse? If something happens to your spouse are you going to take time off work to maintain the household?

Your adviser or one of our in-house insurance specialists can help you determine the types of insurances you may need and how much cover you require. The below summarises personal insurances that you may think about insuring your spouse for:

- **Life:** Life cover provides a lump sum if you pass away or meet the terminal illness requirement. Nothing could replace the loss of a loved one but potential uses for this cover include: covering living expenses while you take time off work, paying for childcare or housekeeping, servicing debts and/or covering estate objectives. This type of cover can be funded via superannuation or personally.
- **Total & Permanent Disability (TPD):** TPD insurance pays a lump sum if you meet the policy definition of permanently disabled. Depending on the definition you apply for, this may mean your spouse is no longer able work in their part-time role ever again or if they are no longer able to carry out normal household duties.

Potential uses for this cover include; covering living expenses while you take time off work, paying for childcare or housekeeping, servicing debts, paying for required renovations around the home (i.e. railing in the shower, installing ramps) and paying for medical and rehabilitation costs. This type of cover can be funded via superannuation or personally.

An example where this may apply, is due to an unforeseen accident where the spouse becomes blind. As a result, they no longer can drive the kids to school, clean the home or go grocery shopping without assistance.

- **Trauma:** Trauma cover is designed to pay you a lump sum in the event that you suffer a specific illness or injury, such as heart attack or cancer. This may not leave you disabled long term but is traumatic at the time of occurrence. Potential uses for this type of cover include; covering living expenses, paying for child care and/or housekeeping while your spouse gets treatment or paying for medical costs. This cover can only be owned and funded personally.

There is a fourth type of personal insurance cover; income protection. This type of cover replaces a percentage of your income if you are unable to work for a period of time due to illness or injury to protect your lifestyle. Whether this type of cover is appropriate for you will depend on the underlying income and hours performed.

If you have any questions in relation to the above or wish to discuss further, please do not hesitate to contact your adviser.

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