



HOODSWEENEY

INCOME PROTECTION INSURANCE



join the journey

YOUR ABILITY TO EARN IS YOUR GREATEST ASSET.

You've insured everything from your home to your holiday. But what about your most valuable asset?

Your ability to earn an income is your single greatest asset. A lifetime of work, even on a modest annual income, is worth millions of dollars.

But, what if a sudden illness or injury prevented you from working: how long could your family survive before the cash ran out?

The shocking truth is most working Australians under 35 would need to start living on credit or sell some assets after only about a month.¹

How would a loss of income affect your family's future?

No matter what age you are, you'd be astonished at how little it can take to change your financial situation irrevocably.

Let's say you broke a bone and couldn't drive or work. Unfortunately, the bills, the mortgage, the school fees and the business demands would carry on regardless.

Imagine you became seriously ill over a long period of time. Apart from the immediate cash flow emergency, an extended period without an income would probably put a large dent in your retirement plans, especially if you were required to sell assets or dip into your savings to stay afloat.

Logically most people would insure an asset that becomes more valuable over time, however according the Hood Sweeney's life risk specialist, Mark Mullins, barely a third of Australian invest in their own income this way.

Income Protection Insurance

Most of us wouldn't think of driving a car uninsured, yet they're worth a fraction of our income and start losing value from the very minute we drive them out of the showroom.

Some assume the insurance attached to their superannuation would cover them in these circumstances but the truth is it's rarely enough to fill the gap.

The good news: income insurance costs less than you think.

If you were to become sick or injured, income protection insurance can provide up to 75% of your income and priceless peace of mind.

Surprisingly, it can cost as little as around two per cent of your current before-tax income. If you consider how your income will grow over the years, it makes perfect sense to insure it.

More good news: it's also tax deductible, based on your marginal tax rate.²

Let's compare how income protection insurance compares with car insurance: a 30-year-old male accountant can insure his car for \$50,000 at \$68.75 a month and would receive a one-off payment of \$50,000 if that car were written off.

Or, he could insure his \$100,000 annual income for \$64.05 per month – which equates to just \$43.29 after tax³ – and receive a monthly benefit of \$6,250 in the event of an injury or illness, and for as long as he is totally disabled or age 65. If he received a \$6,250 per month benefit from age 30 to age 65 and we indexed the benefit by 3%, this would equate to a potential benefit of \$4,745,696.

¹ Zurich, A Successful Practice: Case Study, 15 March 2012.

² lifelife.org.au

³ Based on the marginal rate of 39%.



As well as providing a monthly benefit if injury or illness meant you were unable to work, income protection insurance can also:

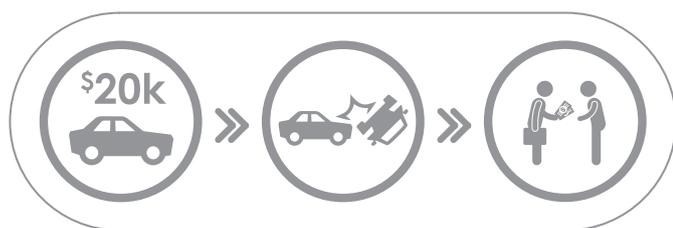
- Top up your income if you are only able to work in a reduced capacity
- Provide a set benefit if you suffer a scheduled injury (for example, a fracture) even if you are able to continue working, and
- Provide a lump-sum payment if you suffer a critical illness such as cancer, heart attack or stroke.

Hood Sweeney can assist you with:

- Income protection insurance
- Life insurance protection
- Permanent disability insurance
- Trauma insurance
- Business succession planning
- Key person planning
- Group insurance
- Guarantee / debt protection
- Business overhead insurance

Our Life Risk specialist can tailor income protection insurance to suit your situation as Hood Sweeney is not exclusive to any insurer.

To receive a tailored income protection review, or to find out more, please contact **Mark Mullins** on mark.mullins@hoodsweeney.com.au or **1300 764 200**.



“
Most Australians — 83 per cent—insure their car but only 31 per cent insure their income, ignoring the fact that their ability to earn an income is their greatest asset.
”



HOODSWEENEY

Now, this is where your journey starts.

To join the journey with Hood Sweeney, or to find out more about what we can do for you, please contact us.

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