Top 3 things you need to know about life insurance

**SOCIAL MEDIA**

Use or customise the below post most likely to resonate with your clients via social media such as LinkedIn or Twitter. Your posts can link directly to the articles on our website, or you can customise a link to your own white-labelled versions of the articles.

***Tip:*  Spread the word with #insuranceclarity**

#insuranceclarity is a hashtag we’ve added to the material to promote life insurance education. We encourage you to get on board and help grow engagement and confidence in the life insurance industry by using it when you post on social media.

**SOCIAL MEDIA POST**

If you’re like most people, you probably have some form of life cover already. But how much do you really know about this important type of insurance? Read more #insuranceclarity

<Link to the article below either on your website or within the social platform>

**FLYER/NEWSLETTER/WEBSITE ARTICLE**

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***Tip*: Complement your advice**

You could also use the articles to complement your advice, sending specific articles to clients who have expressed concerns about their insurance or who have yet to take up insurance you have recommended.

**ARTICLE**

**Life Insurance 101**

It may appear simple, but life insurance helps you provide for your debts and dependants should you pass away. Life insurance generally come as a default option within your superannuation but recent changes to legislation means that you may have to opt-in to receive this insurance. This legislative change has particularly affected those that are under age 25 or do not already have significant funds already invested through their super. Check with us to see if you have life cover in place.

When you’re looking at life insurance, there are 3 important things you need to consider.

1. How much you’re covered for
2. How your policy will be paid out
3. Who you can nominate to receive the benefit
4. **How much you’re covered for**

It might sound obvious, but you need to think about the reasons you take out life insurance. You might think “$1 million should be enough” – but have you thought about how much money would really be needed to replace your income, support your family, educate your children etc.?

The Australian Securities and Investments Commission (ASIC) has developed a [Life insurance calculator](file:///\\ms.zurich.com.au\dfs\GroupsGen\MarketDevelopment\LifeRisk\Marketing\2021%20Marketing\Group%20Insurance\Content\Content%20Hub\For%20sign%20off%20FINAL%20articles\link%20to%20https:\www.moneysmart.gov.au\tools-and-resources\calculators-and-apps\life-insurance-calculator) that can help.

**2. How your policy will be paid out**

You may think that life insurance is only paid out when someone dies, but did you know that there is also another way?

If you are told that you are ‘terminally ill’, you may be able to get early access to the life insurance benefit.

Getting access to life insurance early can help you to set up your affairs with confidence that your loved ones will be provided for.

**3. Who you can nominate to receive the benefit**

When a life insurance benefit is paid, generally the trustee of the super fund can determine who will receive the benefit. If you choose a ‘binding’ nomination, the trustee must generally follow your wishes and pay your benefit to the beneficiary(s) you’ve nominated.

The trustee must pay your super balance and any insurance benefits (if applicable) to your beneficiaries (e.g. your spouse, children or estate). If you don’t nominate a beneficiary(s), the fund must try to find eligible beneficiaries to pay your benefits to.

You can choose to notify the trustee of your preferred recipients. This type of nomination is called “a preferred nomination”.

If you choose a ”binding nomination”, the trustee is generally bound to follow your wishes and pay your benefit to the beneficiary(s) you’ve nominated. Note that only elected dependants must meet the SIS definition.

There are different rules around how benefits can be paid, and how they are taxed, so it’s best to seek financial and tax advice specific to your situation.

**Want to know more?**

If you’d like to discuss any of the content in this article and how it may apply to you, please call me on XXXXXXXXXX.

This information is prepared by [trustee name], the trustee of [Super fund name]. It is current as at [January 2021] but may be subject to change. Updated information will be available by contacting us on/at [details].

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