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| [HEADING]  Estate planning and insurance – who gets what  [SUBHEADING]  There is a trick to making sure your superannuation and life insurance proceeds go where you want them to. |

[BODY COPY]

Many people choose to take out life insurance as part of estate planning to protect their loved ones from financial stress if they die unexpectedly.

In the event you die suddenly, or are diagnosed with a terminal illness, life insurance can be a way to provide a financial safety net for your family. No-one likes to think about the possibility of being taken from your loved ones through accident or illness but failing to properly plan for that situation can have financially and emotionally disastrous effects.

# Why you need to think about estate planning and insurance

If one day you suddenly aren’t around, will your partner be able to stay in the family home? Will your children and grandchildren be able to have the future and education they dream of? Will your partner be able to maintain the lifestyle you worked so hard to build together?

Life insurance can defray the costs of your medical care and funeral, help to meet mortgage repayments and other debt obligations, and even protect your interests in a business partnership. And choosing to hold life insurance through your super fund is an easy, cost-effective way to secure protection for your family’s financial situation even under difficult circumstances.

However, there is a trick to making sure your superannuation and life insurance proceeds go where you want them to.

# What you need to know

The proceeds from superannuation and life insurance don’t automatically form part of your estate. This means it’s not certain that the people you want to benefit will receive everything you intended them to.

## Estate and non-estate assets

An estate asset is one that automatically becomes part of your estate when you die. This means it will be handed over according to your will. If you don’t have a will, a court-appointed administrator will decide what happens to your assets. A non-estate asset is one that isn’t automatically part of your will but can be passed on according to your wishes so long as you have made specific arrangements.

Money held in super and proceeds from life insurance held outside super are non-estate assets.

## Who do you want to benefit?

If you nominated a beneficiary or beneficiaries on your life insurance policy, the proceeds **are not** included as part of your estate. The insurer pays the proceeds directly to the nominated people.

There are two types of nomination you can make. A binding nomination is legally valid and must be renewed every three years. It means the super fund has to pay your balance to whoever you nominated, so long as that nomination isn’t out of date and all the beneficiaries are still alive.

A non-binding nomination still tells the super fund who you’d like to get your super balance, and your fund will take notice of it. But it will also need to consider all relevant laws when making a decision.

If you have not nominated a beneficiary in your policy, then the proceeds **are** included in your estate and will be distributed as part of your will.

Make sure you consider this when planning for the future of your family and speak with a professional about the best option for you.

# Consult a professional

Tax and estate laws are complex and require professional expertise to get right. Consult both a financial adviser and an estate lawyer to ensure your assets will be distributed and passed on exactly as you want. Be sure to update your estate plan at least every five years. A clear, thorough, and current will is the best way you can care for your loved ones should you go before them.

[CALL OUT BOX]

## Do you need to update your beneficiaries?

If you want to change the nominated beneficiary on your insurance policy, get in touch. Give us a call on <<phone number>>, email us on <<email address>> or contact us through <<website address>> and we’ll let you know the next steps.

[CALL OUT QUOTE]

“The proceeds from superannuation and life insurance don’t automatically form part of your estate.”

**eDM**

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| Section |  |
| Subject line | Who gets what if you pass away? |
| Pre-header text | Estate planning helps take care of your loved ones |
| Header image copy |  |
| Headline | Why you need to consider about estate planning – and the trick you need to know |
| Salutation | Dear <name> |
| Introduction | Many people take out life insurance to protect their loved ones from financial stress if they die unexpectedly.  It provides a financial safety net and can defray the costs of your medical care and funeral, mortgage repayments and other debt obligations, and protect your interests in a business partnership.  But there is a trick to making sure your super and life insurance go where you want them to. |
| Body | What you need to know An estate asset automatically becomes part of your estate when you die and is included in your will. A non-estate asset can be passed on, but you may need to make specific arrangements for it to ensure it goes to whom you want.  Your super and life insurance don’t automatically form part of your estate after you die. So, unless you have made specific arrangements, it’s not certain it will be distributed where you want – especially if your relationships have changed over the years. Who do you want to benefit? If you nominated a beneficiary or beneficiaries on your life insurance policy, the proceeds **are not** included as part of your estate. The insurer pays the proceeds directly to the nominated people.  If you have not nominated a beneficiary in your policy, then the proceeds **are** included in your estate and will be distributed according to your will. Consult a professional Consult both a financial adviser and an estate lawyer to ensure that your assets are distributed as you wish. A clear and current will is the best way to protect your loved ones. |
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