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| [HEADING]  What should I look for (and look out for) in a policy?  How to understand which options are right for you  How to pick the right options in life insurance |

# [SUBHEADING]

# Understanding what’s included and how much it costs are important things to watch out for.

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It’s natural to make some assumptions when you think about the future, such as that you’ll always have a job and be able to work and earn income. And, of course, no one wants to think about death.

Life insurance is useful because it allows us to spend less time worrying about the consequences of future mishaps. And there is comfort in knowing that what you have worked for will be protected if something happened to you. Here’s what to look for when you’re considering life insurance.

# Inclusions and exclusions

Insurance companies are pretty strict on rules and classifications. The product disclosure statement (PDS) or insurance guide will tell you exactly what you’re covered for as well as anything that may be excluded. For example, a claim may not be paid if you were undertaking a high-risk or negligent behaviour at the time.

The PDS is an invaluable resource and something you should refer to whenever you’re looking at insurance.

Superannuation funds are also required to display claim approval or acceptance rates on their websites, and these can be an indication of how strictly they define claims.

# Level of cover

Most policies offered through superannuation offer a default level of coverage. This may not be appropriate for everyone. For example, if you still have a mortgage, you will need more coverage than someone who is single and renting.

Most people think about how much they would need to pay off major debts. You should also consider how much would be needed to support your partner and if anyone in your family has long-term needs, such as ongoing bills or assistance.

A general rule of thumb is to have a policy with a death benefit that is 10 times your annual salary. Your situation and financial goals may mean you need more or less than that amount; this is when it’s a good idea to get financial advice.

# A flexible policy

Scaling up your insurance as your life changes is something that can give you more security and certainty for your future. Some underwriters will require a health check if you take on additional coverage and some may have a waiting period for the new coverage to come into effect.

Understanding what you can change – and what it will cost – is an important tool to getting the most out of your coverage.

On the other side, as your responsibilities decrease, is it easy to reduce the amount of coverage you carry to reduce your premium?

# How much does it cost?

One of the nice things about insurance through superannuation is that it’s generally much more affordable than buying an individual policy directly. That said, not all insurance policies are alike. Some may have longer waiting times before a claim will pay; in exchange, their premiums (the amount you pay for the policy) are lower.

If you think you’ll want more coverage than the default amount, it’s a good idea to factor that amount into your calculations.

# How to check your insurance

Most superannuation funds offer limited financial advice on insurance needs, taking your individual financial circumstances into account, free of charge. You can learn more about what we can do by giving us a call on <<phone number>>. Quick, easy, and affordable. That’s insurance through super.