



TO INSURE OR NOT TO INSURE?

**What's the difference between life insurance and income insurance? Do I need both? Myself and my husband are both 35.
Rhonda, Earlville, Cairns**

The two most common insurance products are term life and income protection. Term life insurance, which can be paid by your super fund, pays a lump sum on your death or the diagnosis of a terminal illness.

Income protection provides a replacement income of up to 75% of your current income if you are unable to work due to illness or injury. You are not covered if you lose your job though. If you insure your house, car and contents, why not insure the income that pays for it all?

To determine if you need cover then simply think about what would happen if you were unable to work. What would happen to your mortgage, the kids' education and your lifestyle?

I definitely recommend getting both. We all know someone who has been diagnosed with cancer, was injured in a car accident, experienced a bout of depression or lost a partner suddenly.

Most people your age believe that they are bulletproof and will live til 80, but did you know Rhonda that the chance of you or your husband dying before age 65 is 18%? Put simply, if you have a dinner party this weekend with 4 other couples, it is expected that two of party will die inside the next 30 years!

Housewives should not overlook your contribution to the home either. In 2005 the ACTU estimated the "work" undertaken by stay at home mums was worth \$34,000 a year.

The cost of insurance is no excuse for not having any cover. Better to have some than none. With lower interest rates, your savings should go towards insurance cover. You will appreciate it when you need it.

To find out more on personal insurance, Lifewise is a new educational campaign just launched www.lifewise.org.au.

Want to know your chance of dying before age 65? www.mlc.com.au/personalrisk