



Collins Financial Planning Pty Ltd

AFSL 227250

Tradies Insurance

When you think about dangerous occupations, tradespeople don't always spring to mind.

But according to Safework Australia, labourers and related workers had the highest incidence rates of work-related injury—over double the rate of all occupations.¹

When you add in the likelihood of diseases like cancer, many tradies are playing a dangerous game without life insurance and are risking their most important tool of the trade—themselves.

Workers' Compensation can provide some cover for workers, however it can be a long wait for benefits and it doesn't cover things that aren't work-related, like cancer and heart disease, which can often be even more devastating financially for a family.

That's where life insurance can fill the void.

What is life insurance?

Life insurance pays you money if you suffer an injury or illness that is covered by your policy. There are many different types of insurance covers, including:

- **Life cover** pays a lump sum if you die or are diagnosed with a terminal illness. The lump sum can be used to meet final expenses, pay off the family mortgage so that your family isn't left without a home, fund future child education fees and set aside money to meet your family's ongoing living needs.
- **Income protection cover** pays up to 80% of your income if you can't work because of sickness or injury. This money is essential in helping to meet your ongoing living needs, including meeting your mortgage repayments, while you are unable to work.

- **TPD cover** pays a lump sum if you are totally or permanently disabled. This may help you repay debts and medical bills, make modifications to your home and motor vehicle as well as meet lifetime living costs.
- **Trauma cover** pays a lump sum if you are seriously injured in an accident, or if you are diagnosed with one of a number of serious medical conditions, like cancer and heart attack. The proceeds can be used to meet medical treatment costs as well as provide financial support if your spouse wishes to take time off work to look after you.

If you run a business, you can also take out business expense insurance to help you cover fixed business costs, like rent, electricity and some employee salaries (often excludes income producing employees).

With so many different types of life insurance available, it's important to discuss your own insurance needs with a financial adviser.

How much does life insurance cost?

Premiums vary depending on the product and a range of other factors. As an example, a 30 year-old labourers can take out \$200,000 life insurance, plus \$2,500 a month income protection, for under \$4* a day. (Source: ABN 33 009 657 176, AFSL 238341).

There are also a number of tax concessions associated with life insurance.

For starters, you may be able to hold your life and TPD insurance cover inside super. This means you can use your pre-tax salary to pay your premiums.

Another benefit specific to income protection and business expense insurance is that premiums are generally tax deductible.

The best way to design an affordable insurance strategy that protects your family, your income and your debts, is to speak to a financial adviser.



Contact Us

for more information about our services.

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¹"Key Work Health and Safety Statistics Australia, 2012"

*Male, non-smoker, NSW, Income Secure Special Risk, indemnity, 30 day waiting period, 6 year benefit period & Increasing Claim Option (assumed salary is \$40,000).

The worked dollar example is for illustrative purposes only.

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