

# HOW MUCH INSURANCE DO YOU NEED?

Well, that all depends on your priorities and perhaps the peace of mind that you get from knowing that all things are covered.

Below are some interesting stats on the ODDS which recently appeared in The Press.

Research by the Financial Services Council in 2012 shows that over the past five years:

- Nearly a third of households had someone unemployed for three to six months.
- One in seven households had someone who had lost income after experiencing a serious illness which meant they could not work for 3 months or more.
- Once sick leave and annual leave ran out, a fifth of households would not be able to meet expenses after one week.
- After four weeks, 55 percent of households would be unable to maintain their lifestyle.
- Only 20 percent could cope for more than a year.



So let's look at "income insurance" because in our view, that's the one that is under done. In the sense that it's not perceived to be a



priority for many, perhaps because of its cost, but we are talking about an asset to be insured that can have so many things affecting its wellbeing.

So what is your greatest asset? We'll answer that one straight up. It's not your house it's your income, and so who earns the income? You! And so **YOU** are the asset.

If you were aged 40 today and earning \$55,000 then on the basis that you have 25 years remaining in the work force then your earnings could exceed \$1,375,000 or let's say you were starting out in the workforce today at age 20 and were earning \$30,000 then you have 45 years remaining in the workforce and your earnings will easily exceed \$1,350,000.

Let's put this into perspective. You might be driving around in an old car that might be valued at \$3,000 and it's very likely that you have insured this. But this only has a value of \$3,000, what about the value that needs to be placed upon you, the "real asset"?

Give it some real consideration and at the very least, look into a policy to see if it can meet your needs.