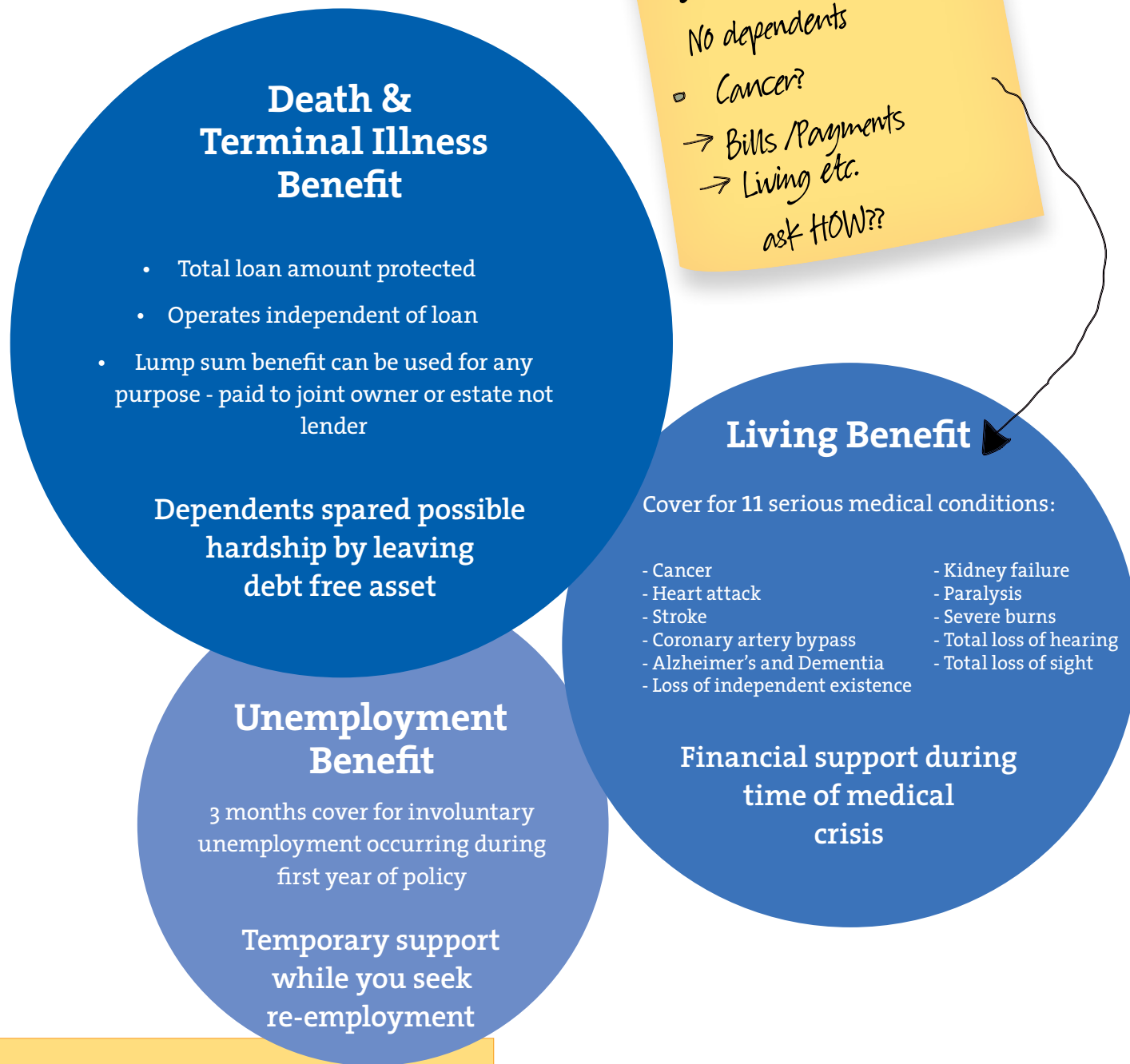


# Loan protection: A solution?



**DON'T CARE!**  
 No dependents  
 - Cancer?  
 → Bills / Payments  
 → Living etc.  
 ask HOW???

**SUPER**  
 - Average cover  
 - Is that enough???  
 check fund

### Industry facts

- One in two industry super fund members are underinsured by \$100,000 or more<sup>1</sup>
  - 50% are underinsured by \$100,000 for life insurance
  - 74% are underinsured by \$100,000 for TPD
- It's estimated that life insurance cover within super is on average only 20% of what is needed. The average insurance amount payable from super is \$70,000<sup>2</sup> for those who take the default level of cover
- If you were to get sick or injured and not be able to work, Centrelink pays a maximum disability pension of \$658.40 per fortnight for singles and \$496.30 (each) for couples<sup>3</sup>

<sup>1</sup> 2008 survey by Australian Institute of Superannuation Trustees (AIST) and Industry Funds Forum (IFF) - AIST Media Release, 3rd June 2008  
<sup>2</sup> Rice Walker Actuaries, Analysis of Insurance Needs, May 2005 | <sup>3</sup> Centrelink website. Rates are a guide only and are effective from 1st January 2011

From cover  
<sup>1A</sup> ABS Statistics | <sup>1B</sup> The LIFEWISE / NATSEM Underinsurance Report February 2010  
<sup>1C</sup> Cancer Council: Cancer in Australia: an overview, 2008 Australian Institute of Health and Welfare (published December 2008)

**Affordable \$\$\$?**  
 Budget tweak  
 Can I afford NOT to???

## Typical premiums

Typical daily cost* per \$100,000 of cover		
Age	Female Non-smoker	Male Non-smoker
25	\$0.32	\$0.45
35	\$0.46	\$0.55
45	\$0.89	\$1.04

Typical daily cost* to protect a \$300,000 loan		
Age	Female Non-smoker	Male Non-smoker
25	\$0.96	\$1.34
35	\$1.38	\$1.65
45	\$2.67	\$3.13

## The expense misconception

There is a common misconception that life insurance is too expensive, however premiums can cost less than the price of a daily coffee.

- 81% say life insurance is too expensive, yet 61% overestimate cost<sup>1</sup>

An important feature of ALI Group's loan protection is the **flexibility to adjust the level of cover**, making cover even more affordable.

\* Cost to an individual depends on a number of factors including the amount of cover taken, age, smoking status and gender.  
<sup>1</sup> OnePath Life (formerly ING Life) Australia's Attitudes Towards Life Insurance, Dec 2008