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A GUIDE TO PROTECTING YOUR WEALTH

With a financial plan in place, you're on the right track to creating wealth. And now you've got a financial plan, doesn't it make sense to protect?

It's not something anyone likes to think about. But life's uncertain. You might not always have the luxury of the income you've currently got. You could fall sick. You could have an accident. But when that happens, you don't have to eat into the wealth you've worked so hard to create.

That's why a sound financial plan will help you create wealth and preserve it. Your financial adviser can help you structure your financial plan so that if you're not able to work, you can still maintain your standard of living and keep your investments.

Your financial plan is all about helping you keep control of your wealth, so you can make the most of it when you retire. It should also ensure your family is taken care of when you're no longer around to take care of them.

Ultimately, your financial plan is about providing you and your family with peace of mind.

Wealth creation is the part of your financial plan that helps you build the assets to meet your financial goals. Your goals may include saving for your children's education or a future overseas holiday, or having enough money to live comfortably when you retire.

Wealth preservation helps you protect your ability to create this wealth. Whilst your wealth creation plan will be based on the assumption you'll stay healthy and live to a certain age, unforeseen circumstances can impact your plans. The wealth preservation component of your financial plan is to help you still meet your financial goals if you're unable to work or suffer a serious illness.

How much do you need to protect your financial plan?

Perhaps the best way to decide how much you need is to estimate what you'd need to pay off your debts and how much you'd need each year to cover living expenses.

You may have enough accumulated wealth to cover you if you couldn't work for any length of time. But having the right insurance cover means you won't need to whittle away your investments.

Use the quick calculator overleaf as a rough guide. Remember, this doesn't take into account inflation or all the expense you're likely to have to pay out. Your financial adviser will help you work out the right amounts.

When you've estimated these figures it will give you an idea of the total insurance cover you need.

Different types of insurance to suit different needs.

- Life insurance provides financial protection for your dependents if you die.
- Total and permanent disablement insurance pays a lump sum if you can't ever work again because of illness or injury.
- Income protection insurance generally pays up to 75% of your monthly income if you can't work due to illness or injury.

- Trauma insurances pay's a lump sum if you suffer a specified traumatic event such as the diagnosis of cancer or coronary disease.

Why it's important to get professional advice

It's important that your personal circumstances are taken into account before you make any financial decisions and we recommend you seek help from a financial adviser, especially if you think you have a shortfall in your current insurance cover. A financial adviser will help you work out the right cover to suit your needs.

Quick calculator

Long-term debts	\$
Mortgage	
Car Loan	
Credit/store cards	
Other loans	
Total needed to pay off debts	(A)

Monthly living expenses	\$
Rent	
Rates	
Telephone/electricity/gas etc	
Food	
Clothing	
Travel (car/bus/train)	
Entertainment (holidays/eating out etc)	
Monthly total	(B)
Yearly total (B x 12)	(C)
Number of years to be covered	(D)
Total amount needed for living expenses (C x D)	(E)
Total estimated cover needed (A + E)	