



# Sickness doesn't discriminate, so why should insurance?

Anyone can get sick or injured but when it comes to protecting their lifestyle with insurance, it seems females have some catching up to do.

Historically speaking, insurance was sold to the main breadwinner. More often than not, that was the husband.

Today men still earn more, on average, than women, however the gap is closing fast. Australian women now earn 92% of male incomes with many women now out-earning their husbands.

For this reason, you'd expect more women would be taking out insurance to protect their income and their lifestyle. This is not the case. Despite women making up 45% of the workforce, they still represent only 15-20% of all insured incomes.

## It's not just about income

Protecting your income is obviously important however the fact that female incomes are increasing only tells part of the story.

Women are often more financially vulnerable than men-mainly because they typically spend less time in the workforce.

This is partly because of children and also because women are more likely to retire early. Women are often the ones who take time off to look after children or elderly relatives.

Less time in the workforce means fewer savings, less superannuation and a decreased ability to recover from financial setbacks.

Since women live longer than men, these setbacks can be even more financially damaging over time.

## What types of insurance should women have?

Income protection typically covers up to 75% of your income if you can't work temporarily because of sickness or injury-making it extremely valuable for working women.

To protect yourself against diseases like cancer, you can take out Recovery (also known as ‘Trauma’) insurance. It can pay a lump sum on diagnosis-helping you replace your income and assist in covering the costs associated with treatment.

Life and/or Total and Permanent Disability (TPD) insurance can provide a lump sum to you or your beneficiaries if you die or are seriously disabled. This can be vital if you have a family and/or a mortgage to look after.

If you’re self-employed or run a business you can also cover your fixed business expenses if you can’t work temporarily because of sickness or injury.

### Strategies to make insurance more affordable

It’s worth talking to a financial adviser before you take out insurance as there are often a number of ways you can reduce the effective cost of your premiums.

For example, income protection and business expenses insurance premiums are often tax-deductible.

You may also be able to reduce the effective cost of Life and TPD insurance by taking it out inside super-using your pre-tax money to pay premiums. Bear in mind there may be some restrictions on your benefit if you insure inside super.

### Get the cover you need

The best way to find out what cover you need is to speak to a financial adviser. They can help you get the right cover and make sure it’s structured in a way that makes it as cost-effective as possible.

*Source/ Asteron Life Limited*