Pinnacle
Wealth Management
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A Guide to Managing Personal Risk

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Personal Risk is about more than just the Life Cover/TPD attached to your super policy which is paid out on the event of your death.

You should be asking yourself 'how will I support myself or my family in the event of injury/sickness' or 'what level of Life Cover/TPD do I have and is it enough to support my family should I die?

Reviewing your personal risk and ensuring you have the right cover in place will not only give you peace of mind, but also provide financial security for your family.

Life and Total Permanent Disability (TPD) Insurance

- Life insurance provides a lump sum upon the even of the death of the life insured (other than suicide). Where the policy is non-superannuation an additional benefit that is often provided is if the life insured is diagnosed as terminally ill and likely to die within 12 months the lump sum may be paid prior to death.
- TPD Insurance aims to provide a lump sum payment in the event you become totally and permanently disabled. Definition of TPD usually relates to your ability to perform duties including your own occupation, or any meaningful paid/unpaid work. TPD will often be an addition to a life insurance policy. Life cover can in some cases be reduced by the amount of previous TPD payment, depending on product provided.
- Life and TPD insurance can be taken as part of superannuation accounts. The advantage of holding Life/TPD through super is that it will not be a direct cost to your day to day finances as your premiums are paid by your fund. These costs are also tax deductible to your super fund.
- Another advantage of holding Life/TPD cover within super is that any payments will automatically revert to the beneficiary of the super policy and will not form part of any estate in death.

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Income Protection

- Income protection insurance is designed to replace income lost as a result of an accident or sickness preventing you from performing any one of your usual occupational duties by paying an ongoing benefit. The waiting period before benefits become payable and the time period that benefits may be paid for vary between different policies. Income protection insurance is usually limited 75% of a person's salary. Benefits are paid on an ongoing basis once the prescribed waiting period has been served and continues to be paid on a regular basis whilst disabled until such time as maximum benefit has been expired.

  Benefit Period: This is the maximum period of time that an insurer will pay you if you go on claim. The claim will end when you either go back to work or the end of the benefit period is reached, whichever comes first.

  Waiting Period: This is the excess period or the period of time you need to wait before an insurer will begin your claim. Generally insurers will pay monthly in arrears after the end of the waiting period.

Trauma

- Trauma insurance aims to provide a lump sum payment in the event that you suffer a specified condition. Benefits are usually paid for a trauma within a set list of defined medical conditions as listed in policy terms and conditions. Payments are made to the owner of policy and can help to reduce stress in time of uncertainty and anxiety by providing financial support.
- Trauma insurance can incorporate buy back options so that if you make a successful claim, you can re-establish your cover after an appropriate amount of time.
- Trauma insurance does not have any taxation deductions for ongoing premiums, although any payout made to you would be tax free.

Pinnacle Wealth Management are key specialists in the areas of Life/TPD, Trauma, Income Protection, Business Expenses and Key Person Insurance.

If you are looking to review your own circumstances and would like Pinnacle to assist you, then please contact our office.