

How long could you survive without an income?



Don't let illness destroy your income

You wouldn't dream of not insuring your house, your contents or your car. So why should your income be any different?

ACC covers accidents up to a point. But it won't provide for your family – or cover your mortgage – if you have a sickness that prevents you from working for any length of time. So what would you do then?

Income protection insurance protects your ability to earn an income. If you become too sick to work, a percentage of your income is paid to you by your insurer. You can choose how long it will be paid – a few months or until you're well enough to work again.

*Find out how income protection insurance helped these
Kiwis to mind the gap caused by sickness.*



Lisa: Discover how Point Chevalier public relations practitioner Lisa benefited from income protection insurance after being diagnosed with cancer.



Rukingi: Find out how income protection insurance helped this Rotorua father and grandfather overcome a life-altering stroke.



Karen and Steve: See how Karen's and Steve's income protection insurance helped them rebuild their lives in Marlborough after Karen's brain aneurism.

It can happen to someone like you

- Each year 54,800 Kiwi households – a Tauranga-sized city – experience an illness that keeps a household member out of work for three months or more.
- Most families can last only from four to eight weeks without an income. After that the pressures of supporting everyone in your family can simply become too much to cope with.
- The Government's Jobseeker Support for sickness is limited to \$20,000 per annum for couples with or without children, and \$12,000 for individuals.
- If your partner earns more than \$30,000 a year, you will probably not be eligible for any Government welfare assistance.

How would you survive? Could you?

**FIND OUT WHY INCOME PROTECTION INSURANCE IS
A GOOD IDEA FOR PROTECTING YOU AND YOURS.**

Income protection insurance helps you pay your mortgage, your household bills, your kids' school fees – and can keep a good standard of living if you're too ill to work.

If your illness prevents you from returning to work full time your insurance can top your income up to your agreed insured income level.

The insurance is paid for by a simple monthly premium – and it can be very affordable. You can choose protection that's adjusted for inflation.

How much would you get if illness prevented you working?

For most Kiwis without income protection insurance, life is a struggle.

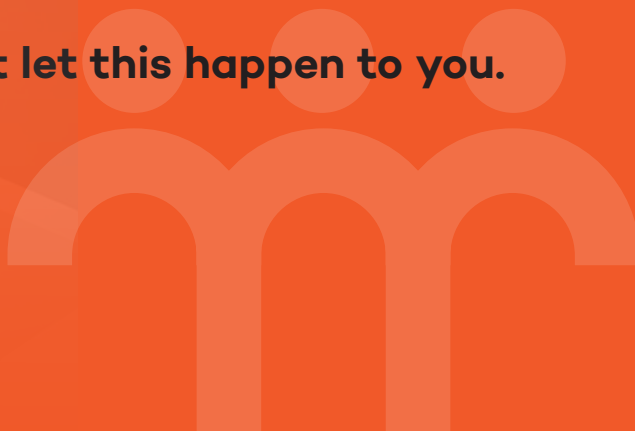
And if your partner earns more than \$30,000 a year, you may not be eligible for anything at all. If you or a loved one become ill, you'll need to deal with Work and Income to find out.

Here's what some Kiwis who DIDN'T have income protection insurance have to say about their experiences:

“We have to make major sacrifices just to get by.”

“We lost our house - it's been a nightmare.”

Don't let this happen to you.



Karen's and Steve's story

Karen and Steve Thorner-Ross were living in Auckland when one day, out of the blue, Karen suffered a massive brain haemorrhage.

She survived thanks to a swift operation and her own determination, but it proved to be a long rehab process. Unable to work, Karen was forced to sell her financial consultancy business, and Steve took six months off to look after her.

"I almost cancelled my income protection insurance two years before I had the aneurism," says Karen. Thank goodness she didn't. "We still have two incomes ... it has definitely made such a massive difference."

"I honestly can't think where we'd be without it," adds Steve.

Even now, Karen finds fatigue a problem, especially if she's been overdoing things. The couple now have two lovely kids, and have relocated to Marlborough where they enjoy a more relaxed lifestyle.



Watch more of Karen's & Steve's story at mindthegap.co.nz

Income protection insurance may cost less than you think

This table shows average premiums and benefits using data from eight different leading income protection insurance companies. Some insurers provide income protection with premiums well below the averages shown. Your premium will depend on your age, occupation, the income benefit you choose and the wait period before your payments start.

Income protection policies vary between each company, so you need to compare costs and benefits before deciding.

Occupation Risk Category*	Income	Income Protection Benefit	Wait Period	Benefit Term	Monthly Premium Indication (for each age group)						
Male					25	30	35	40	45	50	55
Medium (3)	\$40,000	\$20,000	90 Days	2 years	\$22	\$22	\$24	\$26	\$32	\$41	\$58
Medium Low (2)	\$60,000	\$40,000	60 Days	5 years	\$39	\$40	\$45	\$56	\$77	\$109	\$166
Low (1)	\$80,000	\$60,000	60 Days	5 years	\$45	\$46	\$53	\$66	\$89	\$130	\$205
Low (1)	\$100,000	\$80,000	90 Days	To Age 65	\$59	\$61	\$68	\$84	\$115	\$176	\$260
Female					25	30	35	40	45	50	55
Medium Low (2)	\$40,000	\$30,000	60 Days	5 Years	\$41	\$44	\$52	\$67	\$91	\$127	\$185
Medium (3)	\$60,000	\$40,000	90 Days	5 years	\$58	\$61	\$68	\$84	\$115	\$170	\$254
Low (1)	\$80,000	\$60,000	60 Days	To Age 65	\$84	\$94	\$123	\$162	\$222	\$305	\$394
Low (1)	\$100,000	\$80,000	90 Days	To Age 65	\$79	\$85	\$101	\$130	\$187	\$276	\$379

Occupation Risk Categories are used by insurance companies to help calculate income protection premiums and risk.

The risk categories in the table above relate to occupations such as:

Medium (3) - Tradesperson, Nurse

Medium Low (2) - General Clerical Worker

Low (1) - Professional

Rukingi's story

Rukingi Haupapa was earning a decent wage as a teacher. Then in 2005 he had a stroke which left him mobile but unable to remember anything – even his own name.

He had to learn how to do everything again from scratch, from making a cup of tea to how to speak English and Maori.

Rukingi received a year's sick leave from his work. Thankfully he also had income protection insurance, which he had taken out when using the family home as collateral for his daughters to buy houses.

Rukingi is now rebuilding his life and has earned a masters degree. He is now studying for a doctorate and has even set up a Maori Stroke Group in Rotorua.

"I didn't realise the depth and the breadth of the effects of that stroke. Income protection insurance has worked out perfectly for me," says Rukingi.



Watch more of Rukingi's story at mindthegap.co.nz



mindthegap.co.nz

If you'd like to know more about the benefits of income protection insurance, check out our website.

Here you'll find videos of all the Kiwis featured in this brochure, and hear fuller versions of their compelling stories.

See more videos at our our YouTube Channel - click the link at **mindthegap.co.nz**



Lisa's story

Single with no dependants, public relations practitioner Lisa Finucane first took out income protection insurance, fixed at 80% of her earnings, while running her own PR company. "Little did I know how useful that would be," she says.

Her first brush with cancer occurred later while she was working for Waikato University but, thanks to an operation and chemo, she managed to beat it.

Unfortunately the cancer returned four years later. By then Lisa was a contractor. With no employer to help out this time, Lisa would have struggled without her income protection.

"You think you'll get ACC or support or something, but of course with illness that's not the case," she adds.

"Essentially having this income insurance has enabled me to keep living as I had before, pay my bills, pay my mortgage easily, even take the occasional trip to Australia ..."



Watch more of Lisa's story at mindthegap.co.nz

“I think income protection is an essential insurance. It is right up there with life insurance. It is absolutely essential; especially when kids are on the scene.”

KAREN THORNER-ROSS



Why choose income protection insurance?

There are many reasons why income protection insurance makes sense for you and yours:

PROTECT YOUR FAMILY:

It's not just you. What would happen if your partner became seriously ill, and you had to give up work to care for them or pay for care?

PROTECT YOUR HOME:

To cover your mortgage costs.

PROTECT YOUR LOVED ONES:

People without income protection insurance often need to rely on friends and family just to make ends meet. It's a humbling experience when you're used to being independent and responsible for your own welfare.

Three steps to getting income protection insurance

- 1.** Work out how much income you need to maintain your lifestyle and financial responsibilities.
- 2.** Think about how long you could manage before your insurance kicks in - and how long you need it to run. This could reduce the cost of your income protection.
- 3.** Call your insurance provider or one or more of the companies listed on **mindthegap.co.nz/contact-an-insurer** for a quote. They will make sure you get the right policy.



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