



INSURANCE IN SUPER IS A BAD THING

There's been quite a lot of media noise about having unnecessary insurances in your super. This comes down to the suitability of insurance in your Superannuation fund. If you're very wealthy and can fund your income from your accumulated assets and investments, then you don't need insurance.

Generally the younger you are, the less assets you have and therefore the problem arises if something happens to your health that prevents you from earning income and building your assets. That's where insurance comes in. My view on insurance is that it is important, especially when you don't have much protection financially. Insurance is the difference between being able to cope with an interruption to your health and earning capacity, or not.

Insurance can be very complex though and if you get coverage early in life a lot of the time it is worth holding on to. As you age and your health changes it can prevent you from gaining new cover so always be careful when you intend to cancel a policy, whether or not it's held within or outside of Superannuation. Sure, if you have multiple super funds and multiple cover, you may have amounts that you don't necessarily need. But sit down first with a quality Financial Planner and they can get all the details for you, then guide you through each arrangement to make sure the policies that are most suitable to you and your situation are kept in place. It's a small price to pay to gain a great benefit if or when it's required.