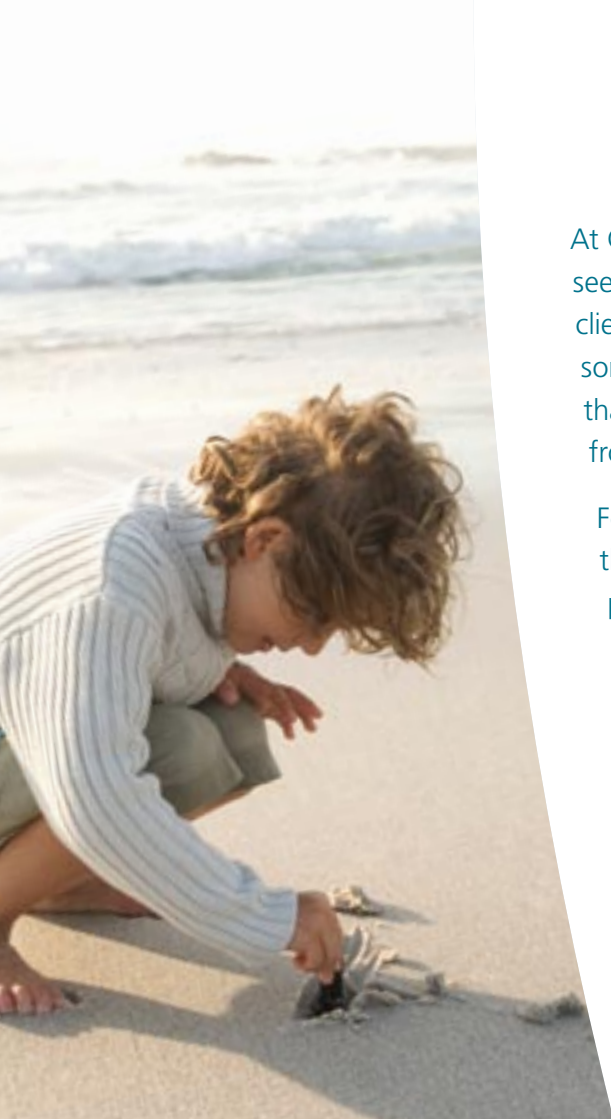




How important is your peace of mind?

PERSONAL RISK INSURANCE





At Genesys, our advisers have seen endless claims made by clients who have experienced some kind of illness or injury that has prevented them from working.

Fortunately for these people, they had some form of personal risk insurance, so at least they were able to minimise their financial losses.

What types of insurance policies do you currently hold?

General insurance

MOTOR	Y	N
HOME AND CONTENTS	Y	N
PUBLIC LIABILITY	Y	N

Health insurance

PRIVATE HEALTH	Y	N
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Personal risk insurance

LIFE	Y	N
TOTAL AND PERMANENT DISABILITY	Y	N
TRAUMA	Y	N
INCOME PROTECTION	Y	N
BUSINESS EXPENSES	Y	N
CHILD	Y	N

If you have health insurance and general insurance policies (like home or motor insurance), but don't have any personal risk insurance, you are not alone.

Personal risk insurance

TERM LIFE

6

Term life insurance provides a lump sum payment for your family to ensure the plans you had for them can be achieved in the event of your death. It also enables the financial obligations of your business to be met.

TOTAL AND PERMANENT DISABILITY

10

Total and permanent disability insurance provides a lump sum payment if you suffer an illness or injury and are permanently unable to work. This will help you maintain your current lifestyle while paying the additional expenses that arise as a result of an ongoing illness or injury.

TRAUMA

14

Trauma insurance provides a lump sum payment if you suffer one of a list of major medical traumas, and will help you obtain the best medical and rehabilitation care and also change your lifestyle if you wish.

INCOME PROTECTION

18

Income protection insurance provides a regular earnings replacement if you suffer an illness or injury and are temporarily unable to work. This will help you maintain your and your family's lifestyle until you are able to return to work.

BUSINESS EXPENSES

22

Business expenses insurance reimburses the owner of a small, self-employed business for ongoing, fixed business expenses that continue to accrue while the owner is unable to work because of an illness or injury.

CHILD INSURANCE

26

Child insurance provides a lump sum if your child were to suffer an illness or injury or die. Child insurance policies can usually be taken as an option on an adult's life, income protection or trauma policy.

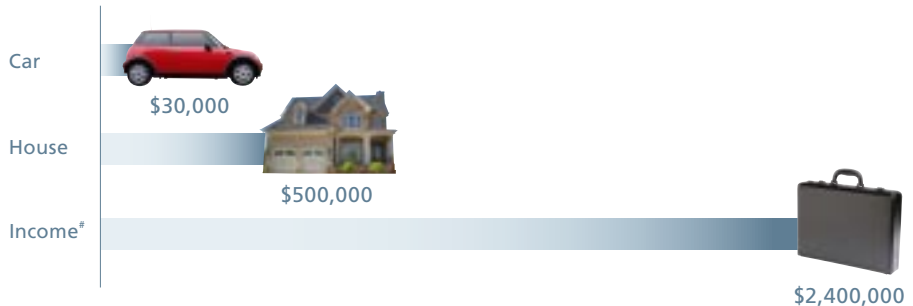
A modest 31 per cent of the population has insured their greatest asset, their ability to earn an income, with appropriate personal risk insurance*

What is your most valuable asset?
Is it insured?

Consider this†

- More than 60 per cent of Australians will be disabled for more than one month during their working life.
- More than 15 per cent will be disabled for more than three months during their working life.
- One in six men, and one in four women, is expected to suffer a disability from the age of 35 to 65 that causes a loss of six months from work.

So consider the consequences of not being able to work for six months, or a year, or more as a result of illness or injury. Or, worse still, the death of the family's breadwinner. While nothing can compensate for the emotional loss that such a catastrophe causes, it is possible to protect your family or business finances by putting in place appropriate personal risk insurance.



* Investment and Financial Services Association

† Institute of Actuaries Table IAD 1989-93 and ALT 90-92

Income over working life, assuming 30 year old currently earning \$60,000 pa, expected to be working for another 35 years. Income is after tax and is indexed at 2.5 per cent pa. Lines not drawn to scale. Tax rates effective 1 July 2008. Does not include low income tax offset.





HOW MUCH COVER DO I NEED?

The types of insurance and amount of cover required differ for everyone. Essentially, you need cover to provide you with enough funds to maintain your current lifestyle.

IN 2008, THIRTEEN LIFE INSURANCE COMPANIES IN AUSTRALIA PAID OUT OVER \$3 BILLION IN PERSONAL RISK INSURANCE CLAIMS* FOR PEOPLE WHO HAD BEEN UNLUCKY ENOUGH TO SUFFER A SERIOUS INJURY OR ILLNESS.

* The Risk Store, 2008 Industry Stats

Why seek advice?

Your financial adviser can work with you to review your current situation, taking into account your expenses, income and debts, plus your personal and financial goals.

Your adviser can then recommend the appropriate type and amount of cover for your circumstances. Your adviser is also a valuable resource at claim time and can help you to lodge a claim and assist with any issues that may arise during the claims process.

What about private health insurance?

While private health insurance may cover a portion of the medical costs associated with illness or injury invariably there is a gap, and you may be faced with many other costs.

Some of these costs may include:

- seeking specialist or overseas medical treatment
- home nursing care
- home or car modifications, and
- meeting other financial commitments, like mortgage, child care or school fees if you are unable to work.

* Australian Bureau of Statistics, 4102.0 – Australian Social Trends, 2003

What about work cover?

Workers' compensation provides protection to workers and their employers in the event of a workplace-related injury or disease. In many instances the level of compensation paid out is insufficient for the victim and their family to retain their current lifestyle before the accident occurred.

While work cover can assist your recovery if you are injured at work, statistics show that most injuries (46 per cent) actually occur within people's homes – your own or someone else's. Only 21 per cent of all injuries occur within the workplace*. So while worker's compensation is helpful if you are injured at work, it won't have any value if the injury or illness is not workplace-related.



TERM LIFE INSURANCE

Term life insurance provides a lump sum payment if you die or, in some cases, if you are diagnosed as being terminally ill.

AN AVERAGE FAMILY WITH YOUNG CHILDREN HAS DEBTS OF AT LEAST \$167,000*. CONSIDER THE COST OF LOST INCOME, EDUCATION, CHILD CARE AND LIVING COSTS IN THE EVENT OF AN UNEXPECTED DEATH.

* Investment and Financial Services Association

To be eligible for payment as 'terminally ill' a doctor must certify you have fewer than a set number of months to live, usually 12.

Tax effectiveness

In some cases it's possible to claim a tax deduction for term life insurance. Ask your adviser if this applies to you.

How much cover should I have?

The amount of cover that you require will depend on a number of factors, including your income, number of dependents, debts and everyday living expenses.

Should you die, your family may need funds to:

- repay mortgage and other debts
- cover medical and funeral expenses
- provide schooling of children or grandchildren
- establish an investment portfolio to generate ongoing income, and
- enable your estate to be divided equally without the need to sell assets.



**Have you
considered
child insurance?**
see page 26

Protect those you love the most

David and Jennifer's story

At 33 years of age, David decided to take out life insurance. He knew this was important, given his wife Jennifer had given up work to raise their young family.

Five years after the policy was taken out, David was tragically killed in a boating accident. Jennifer had a lot to deal with, but at least she didn't have to worry about money.

The life policy was paid out in full and Jennifer used the lump sum to settle all immediate bills, completely pay off the mortgage, pay for David's funeral costs, set up a fund for the children's education, and invest in a wealth creation portfolio that could be drawn down on to create an income stream.

By planning ahead, David had assured his family's security after his untimely death.

Term life claims do happen

Here are some examples of recent claims.

AGE	SEX	REASON FOR CLAIM	TOTAL BENEFIT PAID
54	MALE	HEART FAILURE	\$617,833
56	MALE	OBSTRUCTIVE AIRWAYS	\$420,000
58	FEMALE	STOMACH CANCER	\$346,070
43	FEMALE	ROAD TRAFFIC ACCIDENT	\$318,640
61	MALE	HEART ATTACK	\$287,354
64	MALE	CORONARY ARTERY DISEASE	\$250,000
68	MALE	LYMPHOMA	\$200,000
56	FEMALE	BREAST CANCER	\$195,640
56	FEMALE	TUMOUR OF DIGESTIVE ORGANS	\$140,090
47	FEMALE	CHRONIC RHEUMATIC HEART DISEASE	\$105,800

Source: CommInsure and AVIVA



TOTAL AND PERMANENT DISABILITY INSURANCE

Total and permanent disability (TPD) insurance provides you with a lump sum payment if, because of an illness or injury, you are permanently disabled or become seriously disabled.

What are the chances of becoming totally and permanently disabled?

THE CHANCE OF SUFFERING AN ILLNESS OR INJURY BETWEEN THE AGE OF 35 AND 65 LEADING TO TOTAL AND PERMANENT DISABILITY IS ABOUT ONE IN 10

Source General Reinsurance Life of Australia Ltd

Maintaining your quality of life

As a result of becoming totally and permanently disabled and no longer able to work, how would you maintain your quality of life?

Your cover should be sufficient to ensure you are able to pay off your debts (mortgage and credit cards etc.), cover medical and rehabilitation costs, establish an income stream (if required), plus allow you to modify your lifestyle to accommodate your disability as comfortably as possible.

Some TPD policies require that you are permanently unable to work in any occupation while others only require that you are unable to work in any occupation for which you are 'reasonably suited by training, education or experience'. In some instances, cover can even be provided so that a payment would be made if you were permanently unable to work in your own occupation.

Policies usually also provide a payment if the insured suffers the loss of both hands, feet or the sight in both eyes or any combination of the two, suffers cognitive impairment or is permanently unable to perform the 'activities of daily living' such as bathing, dressing and feeding themselves.





TOTAL AND PERMANENT DISABILITY INSURANCE

Ensure you can afford life-long care

Andrew's story

Andrew is a 27-year-old IT consultant. He was single and carefree, and enjoyed a happy social life. Unfortunately when driving home from work one night he was involved in a car accident.

Andrew received serious spinal injuries resulting in quadriplegia. He experienced a severe change to his circumstances as he found himself bound to a wheelchair for the rest of his life.

Andrew had taken out a total and permanent disability policy for \$750,000 which was paid out in full. He was able to use the lump sum payment to help him adjust to his unplanned lifestyle change.

Some of the costs Andrew was forced to outlay included fitting his home with wheelchair access ramps and full-time carers to look after him, as well as the ongoing medical costs associated with his disability.

Accidents and illnesses are random in nature. Because you never know ‘when’ or ‘if’ it could happen to you, it pays to make sure you’re always covered, as many claimants hold their policies for a number of years before ever making a claim. Remember, it’s important to review your cover as your circumstances change.

TPD claims do happen

Here are some examples of recent claims.

AGE	SEX	REASON FOR CLAIM	TOTAL BENEFIT PAID
50	MALE	MENINGOCOCCAL DISEASE	\$610,220
46	FEMALE	BREAST CANCER	\$352,410
40	MALE	REPETITIVE STRAIN INJURY	\$347,160
40	FEMALE	CERVICAL NECK PAIN	\$299,130
37	MALE	ROAD TRAFFIC ACCIDENT	\$130,000
47	FEMALE	ROAD TRAFFIC ACCIDENT	\$110,340
56	FEMALE	MULTIPLE MYELOMA	\$100,000
51	MALE	SHOULDER DISORDER	\$84,600
58	MALE	HEART DISEASE	\$65,000
43	FEMALE	MULTIPLE SCLEROSIS	\$50,000

Source AVIVA



TRAUMA INSURANCE

Trauma insurance provides you with a lump sum payment if you suffer a defined major medical trauma such as heart attack or cancer.

What are the chances of suffering an insured event?

THE CHANCE OF SUFFERING AN INSURED EVENT, UNDER A TRAUMA INSURANCE POLICY, PRIOR TO AGE 65 IS ONE IN THREE FOR A FEMALE AND ONE IN TWO FOR A MALE.

Source Pricing Dread Disease Insurance
– Institute of Actuaries of Australia 1994.
Updated March 2002.

The actual events covered can vary between insurers, but the following is indicative of the insured events included in most policies.

Heart conditions

Angioplasty, aortic surgery, cardiomyopathy, coronary artery bypass surgery, heart attack, heart valve surgery, primary pulmonary hypertension.

Neurological conditions

Dementia, encephalitis and meningitis, motor neurone disease, multiple sclerosis, muscular dystrophy, paralysis, Parkinson's disease and stroke.

Blood disorders

Aplastic anaemia, medically acquired HIV and occupationally acquired HIV.

Cancer

General cancer and benign brain tumour.

Permanent conditions

Loss of independent existence, loss of limbs and/or sight.

Organ disorders

Kidney failure, liver failure, lung failure, coma, loss of hearing, loss of speech, major head trauma, major organ transplant and severe burns.

- Afford the best medical care, both here and overseas.
- Gain access to the full range of rehabilitation services.
- Amend your lifestyle if you have to, or want to, as a result of suffering from the insured event.

**Have you
considered
child insurance?**
see page 26

TRAUMA INSURANCE

Each of the insured events is medically defined within the policy and it is important to remember that to be eligible for a benefit payment, the definition must be satisfied. For example, it is not sufficient to simply be diagnosed as suffering from cancer. The type and severity of the cancer must meet the defined criteria.

Trauma insurance is usually attached to a term life insurance policy. It can, however, be taken as a stand-alone policy in which case, for a benefit to be payable, you need to 'survive' the insured event for the period set out in the policy, usually 14 days.

Protect your biggest asset: you

Karen's story

Karen was a healthy and active woman in her mid 40s. In addition to a busy family life, she had also fulfilled her professional ambition of starting up her own accountancy business.

As part of her wealth protection plan, Karen invested in trauma insurance. Just three years after taking out her policy, Karen was diagnosed with breast cancer. The diagnosis was a huge shock and caused Karen a great deal of stress. She needed to consider how her illness would affect her and her family's future.

The lump sum trauma benefit paid shortly after diagnosis gave Karen the opportunity to reduce some debts and take some time off work to spend with her family. Karen is now recovering well and has an excellent prognosis.

Trauma claims do happen

Here are some examples of recent claims.

AGE	SEX	REASON FOR CLAIM	TOTAL BENEFIT PAID
56	MALE	STROKE	\$740,190
45	FEMALE	STROKE	\$500,000
36	FEMALE	BREAST CANCER	\$257,810
35	MALE	PARAPLEGIA	\$250,000
49	MALE	HEART ATTACK	\$250,000
47	MALE	BONE CANCER	\$200,000
51	FEMALE	SKIN CANCER	\$118,390
39	FEMALE	MULTIPLE SCLEROSIS	\$112,010
53	MALE	HEART SURGERY	\$110,270
55	FEMALE	HEART ATTACK	\$103,000

Source AVIVA

INCOME PROTECTION INSURANCE

If your lifestyle is fully or partially dependent on your ability to work, an extended absence through illness or injury could be devastating to you and those who are dependent on you.

What are the chances of becoming totally disabled as a result of a illness or injury?

MORE THAN 60% OF AUSTRALIANS WILL BE DISABLED FOR MORE THAN ONE MONTH AND MORE THAN 15% WILL BE DISABLED FOR MORE THAN THREE MONTHS DURING THEIR WORKING LIFE.

Source IAD 1989-93 and ALT 90-92

Income protection insurance will replace your income up to the insured benefit amount of the policy. Generally speaking the maximum cover is 75% of earnings (after business expenses, but before tax); however, ancillary benefits can be obtained on top of this to protect your superannuation contributions and also to protect you in case of a severe sickness or injury.

It is important to remember that benefit payments usually do not start immediately; an excess or waiting period will apply during which no benefit is payable. The waiting period can be as short as 14 days or as long as two years.

Have you considered child insurance?

see page 26

Once benefits start, payments are usually made monthly in arrears. The maximum period of time that payments continue is called the benefit period. A range of benefit periods are available — some as short as one year, with the longest continuing through to your 65th birthday.

Tax effectiveness

Premiums for income protection policies have the benefit of being fully tax deductible – a great way to protect yourself and reduce tax.



What are the alternatives?

Is this the insurance you have to have? It's up to you of course, but consider some of the alternatives.

Family assistance

You could rely on family or friends to help you but they're likely to have their own financial obligations, and this may needlessly strain your relationship.

Savings

You could use savings in the short term to support yourself, but problems arise if your savings are not readily accessible or your incapacity is long term. You are also spending money that you've worked hard to save over an extended period of time.

Employer

You may be a valuable employee but your employer is unlikely to be able to continue paying you and find, train and pay your replacement.

Benefits

Workers' compensation may help if your injury or illness is work related. Or social security may be available, if you meet the means tested eligibility criteria. In both cases, the benefit levels are unlikely to meet your needs.

Protect your biggest asset: your ability to earn

Mark's story

Mark was a self-employed electrician with a successful small business. A weekend touch football game resulted in a knee injury that required surgery and led to Mark being unable to work for three months. Fortunately Mark had an income protection insurance policy that paid him an agreed monthly benefit (based upon his income).

This allowed Mark to continue to meet his ongoing financial commitments while he was unable to work. Mark's adviser had recommended a 14 day waiting period, and this meant that Mark was eligible to receive benefits after two weeks*. His policy also provided additional financial support for engaging in a rehabilitation program which helped Mark return to work earlier than originally thought.

* benefits are paid monthly in arrears

Income protection claims do happen

Here are some examples of recent claims.

AGE	SEX	OCCUPATION	REASON FOR CLAIM	MONTHLY BENEFIT PAID
51	MALE	DOCTOR	LYMPHOMA	\$18,900
48	FEMALE	MEDICAL PRACTITIONER (GP)	BREAST CANCER	\$11,220
38	FEMALE	HUMAN RESOURCES CONSULTANT	DEPRESSION	\$9,375
56	MALE	SOLICITOR	DEEP VEIN THROMBOSIS	\$8,980
33	MALE	ACCOUNTANT	APPENDICITIS	\$7,120
54	MALE	VETERINARIAN	PROSTATE CANCER	\$5,340
52	FEMALE	SOLICITOR	RHEUMATOID ARTHRITIS	\$5,250
49	MALE	SURVEYOR	ACUTE LEUKAEMIA	\$3,070
57	FEMALE	PSYCHOLOGIST	THORACIC BACK PAIN	\$2,770
29	MALE	CARPENTER	FRACTURED BONE	\$2,650
44	FEMALE	OFFICE WORKER	EPILEPSY	\$2,230

Source AVIVA



BUSINESS EXPENSES INSURANCE

Business expenses insurance provides cover for ongoing fixed expenses that continue to accrue while the business owner is unable to work because of illness or injury.

If you're self-employed or in a small partnership, your extended absence from the business through illness or injury can have a major impact. Your absence may mean business revenue and income reduces significantly, but business expenses probably won't.

If your revenue drops but expenses don't, your choices are limited:

- the business can very quickly fail as debts rise to unsustainable levels, or
- you can fund the payment of business expenses from other income you may have, or alternatively sell personal assets.

Neither scenario is desirable.

Business expenses insurance will reimburse you for the fixed business expenses that continue to be incurred while you are unable to work because of illness or injury.

What are the chances of missing work through illness or injury?

ONE IN SIX MEN, AND ONE IN FOUR WOMEN IS EXPECTED TO SUFFER A DISABILITY FROM THE AGE OF 35 TO 65 THAT CAUSES A LOSS OF SIX MONTHS FROM WORK.

Source IFSA

Protect what you've worked hard to build

Damien's story

Let's consider Damien, a veterinary surgeon who operates a successful privately owned clinic. Fourteen months ago, Damien developed a debilitating spinal cord problem that required surgery. It was two months after leaving hospital before he could return to work in a limited capacity.

Damien's business was at a crossroads. Unable to work, the surgery needed to be temporarily closed, but how could he fund the ongoing overheads?

Fortunately, Damien had been advised to take out a business expenses policy. The money from the policy covered the cost of fixed commitments such as leasing costs, business loan repayments, utilities and insurance and the employment of his administration and nursing staff.

Damien is now fully recovered and the business continues to be prosperous. He believes that the peace of mind that came from the insurance benefit reduced his stress and helped him heal, allowing him to concentrate on what he does best – looking after his animal patients.

Business expenses claims do happen

Here are some examples of recent claims.

AGE	GENDER	OCCUPATION	CAUSE	MONTHLY BENEFIT	TOTAL PAID
54	MALE	DOCTOR	DEPRESSION	\$8692/MTH	\$104,298
61	MALE	LAWYER	PROSTATE CANCER	\$11,188/MTH	\$134,258
60	MALE	DOCTOR	PARKINSON'S DISEASE	\$11,717/MTH	\$140,615
58	MALE	SURGEON	DEPRESSION	\$19,133/MTH	\$69,129
42	FEMALE	OSTEOPATH	NECK INJURY	\$2,916/MTH	\$35,000
51	MALE	SECURITY GUARD	FRACTURED ANKLE	\$2748/MTH	\$47,562
53	MALE	ENGINEER	MOTOR VEHICLE ACCIDENT – MULTIPLE FRACTURES	\$3,000/MTH	\$7,800
50	MALE	PAINTER	ACHILLES TEAR	\$7,175/MTH	\$7,175
25	MALE	CARPENTER	ACL RECONSTRUCTION	\$700/MTH	\$2,540
33	MALE	LANDSCAPER	MENISCUS TEAR	\$1,855/MTH	\$1,855

Source CommInsure and Tower





CHILD INSURANCE

Child insurance policies pay out a lump sum if your child were to suffer illness or injury or die. Child insurance policies can be taken as an option on an adult's life, income protection or trauma policy.

Ensure you have the support to cope

Lachlan's story

Three-year-old Lachlan pulled a bowl of partly made jelly onto himself. The boiling water from the jelly caused third degree burns to his face, arms and hands.

Fortunately, Lachlan's parents had taken out a child cover policy on the advice of their adviser. After Lachlan's accident, his parents made a claim and received a lump sum payment to help cover some of the costs of Lachlan's treatment. With this money, they were able to pay for the top burns plastic surgeon in Australia, a part-time nanny to look after their other child, and afford for Lachlan's mum to take six months off work to be with Lachlan during his many operations and recovery.

Lachlan's parents were relieved they had child cover in place, because they didn't have family available to help with child care. Lachlan's dad was able to concentrate on running his business, knowing both his children were being well looked after.

What are the chances of your child suffering illness or injury?

OVER ONE MILLION CHILDREN AGED BETWEEN ZERO AND 14 WERE SEEN IN HOSPITAL CASUALTY DEPARTMENTS IN 2004/05. EACH YEAR, 200,000 CHILDREN FALL CRITICALLY ILL IN AUSTRALIA.

Source AIHW, Australian Hospital Statistics, 2004/05 and AIHW and Australasian Association of Cancer Registries, Cancer in Australia in 2001, 2004.

If you choose to think 'it won't happen to me', do nothing.
But if you prefer the peace of mind that comes with knowing that,
whatever happens in the future, you and your dependants are financially secure,
review your personal risk insurance cover today.

Together with your Genesys wealth adviser, you can ensure your needs
are met with the most appropriate types and amounts of cover.





Issued January 2010

Important information

Information contained in this booklet is general in nature and does not consider your particular situation or needs. Please do not make any decision before its appropriateness has been determined by a qualified adviser. Insurance claim payments are determined by terms and conditions outlined in Product Disclosure Statements and some limitations and exclusions may apply. Please read the Product Disclosure Statement when considering insurance products. Genesys and its representatives receive fees and brokerage from the provision of financial advice of placement of financial products.



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