

Your potential earnings before retirement

Your current gross annual income	<input type="text"/>	A
Your planned retirement age	<input type="text"/>	x
Number of years until retirement	<input type="text"/>	B
This is your potential earnings - your greatest asset.	<input type="text"/>	= C

Which of the following expenses would continue, if your current income stopped or was substantially reduced

- Mortgage/rent payments
- Monthly bills - rates, phone, power, HP's, credit cards
- Cost of living - food, clothes
- Education expenses/child care
- Saving plans, retirement funds
- Entertainment and holidays
- Capital expenditure - house renovations, car change
- Other regular expenses

Tick any of the following you could rely on long term to protect your income

- Sick leave - but how long would this last? What if you have just changed jobs?
- Partner's income - but can your partner be a nurse, run the household, be a parent and earn two incomes?
- ACC - but for how long will they pay? Also, they don't cover illness
- Welfare -sickness/invalid benefit - but how much is this? Will it be enough?
- Savings - but how long would they last? Is this what you intended for your savings?
- Borrow money - but who will lend you money without an income to repay?
- Family support - but how long could they do this? Is this realistic?
- Serious Care and Total and Permanent Disability insurance - is this for long term income or to pay debt and other costs?
- Sell assets - really? Your house? How long would the money last?

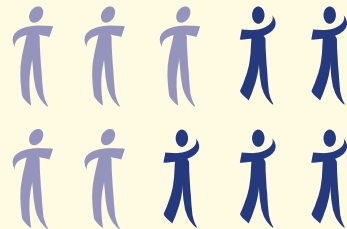
The greatest asset you have is your ability to earn an income. The one thing you cannot afford to lose is your income. It is important to have some form of income protection cover to provide some income if you are unable to work due to illness or disability.

Contact your Financial Adviser or TOWER Health & Life on 0800 754 754

DID YOU KNOW?

For males

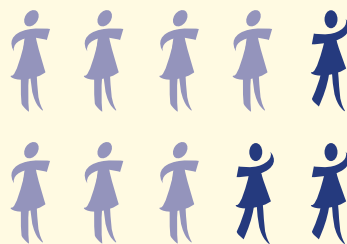
FIVE out of every **TEN MALES** aged 25 years old are likely to become disabled due to an illness or accident before they turn 65 that will prevent them from working for at least a month.



Of these, a third will still be on claim 12 months later.

For females

SEVEN out of every **TEN FEMALES** aged 25 years old are likely to become disabled due to an illness or accident before they turn 65 that will prevent them from working for at least a month.



Of these nearly a third will still be on claim 12 months later.

Source: Davies Financial & Actuarial Limited

Premiums - a perspective

Potential earnings (C above) Estimated annual premium for Income Protection cover \$

Cost to protect your potential earnings against an illness or disability which prevents you from working is % of your current income!

Consider the following two scenarios

Option	Salary	Sick leave	Income from the policy after the chosen wait period
WITH COVER	\$ 45,300	2 weeks	\$33,740 till the age of 65 or until you are able to return to work
WITHOUT COVER	\$ 46,000	2 weeks	NIL

The difference in salary is an approximate \$700 cost of an Income Protection plan. In the With Cover option the earner has protected their greatest asset - their ability to earn. These scenarios are examples only and premiums should not be considered an exact indication of the cost of income protection as individual circumstances will vary.