





# WHY YOU NEED INSURANCE: THE RISKS ARE REAL





What is the working life\* risk you run of death, temporary disability, or total and permanent disability?

**NON SMOKER**

Risk of one person...	Just you? (Male)	Just you? (Female)	A Couple?	Four Business Partners?
Dying	11%	7%	17%	31%
Becoming totally and permanently disabled	4%	5%	9%	18%
Suffering a critical illness	16%	10%	25%	43%
Becoming temporarily disabled**	10%	11%	27%	46%

**SMOKER**

Risk of one person...	Just you? (Male)	Just you? (Female)	A Couple?	Four Business Partners?
Dying	20%	13%	31%	53%
Becoming totally and permanently disabled	4%	5%	9%	17%
Suffering a critical illness	29%	23%	46%	71%
Becoming temporarily disabled**	9%	17%	25%	43%

\*Working life is age 18 to 65. Source: NZ Life Tables, Davies Financial and Actuarial, 2013.

\*\*Temporarily Disabled meaning unable to work for six months

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## CHALLENGE YOUR THINKING: HOW ARE YOU PLANNING TO MANAGE RISK?

How long would  
**YOUR SAVINGS LAST  
IF YOU COULDN'T WORK?**

If you were to die  
before age 65  
**WHAT LEGACY WOULD  
YOU LIKE TO LEAVE?**

Do you have enough  
insurance to  
**REPAY YOUR HOME LOAN  
AND PROVIDE INCOME  
FOR YOUR FAMILY?**

If one of your  
business partners  
were sick for months,  
what would be best:  
**TO KEEP PAYING THEM,  
FIRE THEM OR LET THE  
INSURER PAY THEM?**

Where would you like to  
**RECOVER FROM YOUR  
HEART ATTACK, AT HOME  
OR BACK AT WORK?**

Having spent years  
building a business  
**COULD YOU WATCH IT FALL APART  
DUE TO ILL HEALTH?**

Would your extended  
family or your bank  
be prepared to  
**GIVE YOU SIX MONTH'S  
SALARY IF YOU  
COULDN'T WORK?**

### IT'S UP TO YOU

The other thing to remember is that your situation is unique – and the generalisations of the statistics don't have to apply to you. A number of factors will affect your own risk – some you cannot control (like family history) but many you can (like diet, exercise, sports, alcohol and smoking).

### TALK TO A FINANCIAL ADVISER

But whatever your attitude towards risk, we recommend that if someone – you, your partner, your children or your business partners depend on you somehow, then you should discuss the financial impact of the risk with a financial adviser who understands insurance.