

# Ready for the worst...

## Could you maintain your lifestyle in illness?

**A** recent study<sup>1</sup> showed that 39% of Australians wouldn't have enough savings to maintain their lifestyle if they lost their income for 3 to 6 months. In fact, an alarming 17% would find it difficult to get hold of \$500 to \$1,000 in an emergency.

For millions of Australians, maintaining a lifestyle simply means paying the mortgage and keeping on top of the bills - not everyone takes an overseas holiday every year!

When taking out a mortgage - which for most of us, is the largest amount of debt we'll ever have - just 'hoping' for the best isn't likely to pay the bills or mortgage should the unexpected occur. Home owners need to take control of their destiny and consider the potential consequences and stress that just 'hoping' could inflict.

### **Most of us will experience financial stress at some stage of our lives.**

Financial or mortgage stress is something that sadly affects many home owners. A recent survey showed an overwhelming 20% of first home buyers are expected to experience difficulty meeting repayments in the next 12 months<sup>2</sup>.

According to the survey, the top five reasons for mortgage stress are:

1. Higher cost of living
2. Interest rate rises
3. Other debt obligations
4. Unemployment/redundancy
5. Illness

While most of these reasons fall beyond our control, the risk is manageable, assuming you're prepared and have adequate protection in place.

### **Are you prepared to cope?**

Illness can affect anyone at any time, yet most of us never really consider the financial impact of getting sick.

The strain of medical and related expenses teamed with long periods off work could easily push many homeowners into mortgage stress.

Research indicates if a member of a household is diagnosed with cancer, on average the financial loss equates to \$47,300<sup>3</sup>.

If you could afford this loss and still make ends meet then there's no need to read on.

### **Still reading?**

If you're a homeowner or anyone looking to purchase property, it's essential to consider how you would not only meet basic financial commitments, but maintain your quality of life should you or your loved ones become gravely ill or suffer a serious injury.

Protection can come from many providers, in many forms, with relative affordability. Choosing the right type of protection and understanding what you're covered for can be complex and confusing. Thankfully, there are providers out there who've built products specifically for people in your situation.



**If you're considering taking out protection and would like more information, calling the office is a good place to start.**



**More than 60% of people diagnosed with cancer in Australia will survive more than five years after diagnosis<sup>4</sup>**

<sup>1</sup>BT Australian Health Index | <sup>2</sup>Streets Ahead Genworth Homebuyer Confidence Index

<sup>3</sup>Cost of Cancer in NSW | <sup>4</sup><http://www.cancer.org.au/about-cancer/what-is-cancer/facts-and-figures.html>

