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PROTECTING YOUR MOST VALUABLE ASSET

Ask most people what their most valuable asset is and they will generally say ‘my home,’ ‘my KiwiSaver’ or perhaps ‘my investment property.’ While these may very well have a high financial value, for most people of working age their most valuable asset isn’t to be found in bricks or mortar or an investment statement: it is their ability to earn an income.

If you were forced to stop earning through injury or ill-health, how would this affect the assets you have? How long would you be able to comfortably service your mortgage or pay the rent? Would you be able to hold onto whatever savings and investments you have accumulated? From time to time surveys are carried out asking exactly this, and the answer, for most people, is that within a matter of months they would be facing financial hardship.

Which is why one of the most important parts of putting a robust financial plan in place, is protecting your most valuable asset. There are a variety of risk protection products available which deserve serious consideration. These include policies which protect your income should a sudden injury, critical illness or other event prevent you from working. Other policies offer protection to businesses if a key staff member becomes unable to work.

Then there is protection for your family should the worst happen and you lose your life. None of us likes to think of this as an imminent possibility – but we all know people who have died from accident and illness at a relatively young age. It is likely they also didn’t think it would happen to them. When the cost of life insurance is relatively inexpensive, it just doesn’t make sense to fail to protect the people we love the most from suffering financial hardship, along with emotional trauma, should our lives be cut short.

Probably the best thing of all about risk protection can be summed up in just three words: peace of mind. We can face the future with greater confidence and clarity when we know we have taken care of our loved ones and ourselves should the worst ever happen.

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