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“Do you have a moment  
to talk about life insurance?”

# OH LIMBOS

## FINANCIAL SERVICES

Hello everyone!

We trust that 2015 has treated you well and hope that you are all in good health and you've had a great first quarter of the new financial year!

Here at Ohlimbos Financial we have been steadily working for our clients, always trying to improve the services we offer and upgrade the products we work with. We have always been a customer-first, service-focused business and this has remained the same, even with all the changes that have happened over the past year, specifically with Brian Stanger retiring. Brian is now working in the business in a consultancy capacity, in-between rounds of golf.

In this newsletter, we will be discussing one of the most common objections we find ourselves up against when we are meeting with our clients. That is:

“Yeah, my Superannuation fund handles all of my insurances.”

This statement assumes that all insurance policies are equal and cut from the same cloth. Sadly this isn't the case and with some 'Group Insurance Policies', such as those under many Superannuation Funds (typically the Industry Funds), the hidden in plain sight clauses involved make the conditions on which a claim can be paid increasingly narrow.

We, at Ohlimbos, hope that this newsletter will equip you with the knowledge required to make an educated decision when it comes to allowing your Superannuation Company to dictate how much Life Insurance you are entitled to. We think this highlights the important work that we do as advisers in this industry.

So please, take a moment to read this and let us know what you think.

Please call Christian and Philip to discuss your current situation, ask any questions you may have or arrange a meeting on 07 5511 4089.

Kind regards,

Philip Oh and Christian Stanger



## Contact Us

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## INSURANCE IN YOUR SUPER VS RETAIL

\*Source: Industry and Direct Life Offers – what you need to know, Comminsure, 2014

At Ohlimbos Financial Pty Ltd we take your wealth protection very seriously. We don't work with companies that we don't trust and we don't work with products that aren't up to scratch. In the past, many of our clients have told us that they don't need insurance because "I've got it all in my Super", however, it's important to remember that Life Insurance is not standard across the board, and insurance held through Superannuation may not provide the same standard of cover held through a life insurance company.

Most Industry Superannuation funds offer group life insurance policies which you are generally invited to purchase 'units' of but most of the time members take these units without understanding what each unit is worth. Under a group policy, you are not in control of the levels of cover and the company can alter the cost at any time without your consent, putting you at the mercy of the rest of the group. If there is a sharp rise in claims, you can bet that a larger than average increase in premiums is on the way.

The default 'units' are often inadequate for your average Australian with Australian Super only offering 3 units (Life Cover of \$132,900) for a 39 years old member. For you average Australian family with a mortgage of \$480,000, this is a dangerously low sum insured. And often, these insurances are only valid for as long as you are employed and your employer is making contributions.

Taking out a Life, TPD or 'Salary Continuance' (Income Protection) policy through your Industry Super may seem simple and easy by comparison to the increased paperwork with a proper insurance company, but this is because most Industry Funds don't underwrite during this phase. Underwriting is often treated as an after-thought which happens at claim, at which time the company will trawl through your medical history, looking for a pre-existing condition that, although they never asked the question, could be a reason not to pay a claim.

Salary Continuance policies within Super funds also tend to be very basic, only covering the bare essentials with longer waiting periods (defaults are sometimes 60 to 90 days). Benefits that you may hold within your current retail Income Protection policy such as the 'Day 1 Accident Benefit' are not able to be held within Superannuation and so are not offered meaning you will miss out on that first payment during the waiting period you may have otherwise been entitled to.

In the end, it all boils down to the fact that insurance is a contractual promise that only holds water when the consumer understands what it is they have bought. When you deal with a company like Ohlimbos Financial we will make sure that you understand, not only the ins and outs of your coverage, but also the value of the protection that you have purchased.



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Please note: that the information contained in this newsletter is of a general nature only and does not constitute advice. It does not take into account what you currently have, or what you want and need for your financial future. Before making any decision, it is important for you to consider these matters and seek appropriate personal financial advice, legal, tax and other professional advice. Please ensure that you read and consider the appropriate Product Disclosure Statement (PDS) before you make decision to buy any product. You can get a copy of relevant PDSs and other information from us by calling 07 5511 4089.