

Why you should check your super



It's time to review super fund statements to ensure your nest egg is not leaking through the cracks, writes **Anthony Keane**

SUPER fund members are being urged to check their annual statements to make sure they're not being financially stung by too much – or in some cases too little – life insurance.

As the banking royal commission blowtorch switches to insurance for two weeks from today, and super fund annual statements have started appearing in letterboxes and inboxes across Australia, finance specialists say now is the time to clean up your super cover.

"All the bad publicity around the royal commission is making people more engaged with this stuff," said financial strategist Theo Marinis.

"It's a good opportunity to get off the couch and do

something about it. Consolidate multiple accounts and make sure you have enough insurance in place in the right fund."

Among the life insurance providers to be called before the royal commission during the next fortnight are AMP, super fund REST, CommInsure and TAL.

Insurance premiums can be the most expensive annual cost inside your super account, swallowing hundreds or thousands of dollars each year – and the costs multiply for people who have worked several previous jobs and failed to consolidate their funds.

The Federal Government plans to remove the automatic inclusion of life insurance in super for people aged under 25,

for those with inactive accounts and also those with less than \$6000 in their fund. This move, to start mid-2019, has been criticised by many in the super industry as removing financial protection for people who need it most.

"The problem is it assumes people have got enough cover somewhere else," Mr Marinis said.

Insurer MetLife Australia's acting CEO, Vince Watt, said under-insurance was a national issue, and without cover inside super the situation would be much worse.

"Life insurance is most valuable to those who can least afford the financial consequences of an unfortunate event," he said.

"Insurance inside super is often the most cost-effective

way for individuals to obtain life insurance, especially for those who may otherwise be unable to obtain it due to existing health issues, hazardous occupations or other reasons."

The premiums don't have to be paid from your own pocket because compulsory employer payments go into the super account, but beware that this erodes the balance of your fund.

Mr Watt said people should review the insurance inside their super fund once a year, and engage their fund to change their cover if necessary. This could usually be done online or over the phone, he said.

"Things like starting a family, taking on or increasing a mortgage, or getting married may mean your insurance needs change," Mr Watt said.

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