



## **What is general insurance?**

In order to achieve your future goals and objectives you need to protect your current assets as part of your overall strategy. This can be done through effective risk management.

There are many different aspects to insurance and it is best to tailor a package that suits your needs as well as your budget.

Below is an overview of the types of general insurance available.

### ***Health Insurance***

All Australian citizens currently have a degree of medical cover through the Medicare system. Under Medicare the government will cover your accommodation and medical expenses in a public hospital. However, you will not have your choice of doctors, and where your condition is not life threatening, you may experience lengthy waiting periods.

Private health insurance lets you choose your doctor and hospital, avoiding waiting periods for elective surgery. Depending on the policy, private health insurance may also cover expenses relating to dental, physiotherapy, pharmacy and optical needs. The Federal Government has also introduced a 30% health insurance rebate, to encourage the adoption of private health insurance. This rebate may be claimed in your taxation return or via a reduced premium. If you do not have adequate private cover, your income may be subject to a Medicare Surcharge in addition to the general Medicare Levy payable with your annual tax assessment.

### ***Home Insurance***

The majority of most people's wealth is the value of their own home. It is imperative that this is protected. Home insurance covers your home from damage and you should also insure all the contents within your home. Considerable discounts can be gained by combining home and contents cover.

### ***Car Insurance***

Cars whether leased or fully owned are a luxury, with the retail value often substantially higher than the resale value. Each day, cars are involved in accidents or stolen. Car insurance is offered at a number of different levels: comprehensive, third party property damage; and third party property damage, fire and theft. Third party insurance essentially insures you if you damage someone else's car.

### ***Residential Investor Insurance***

Investing in a property can provide substantial rewards through rental income, capital gain and for some, the opportunity to negatively gear (i.e. paying greater interest than income received presenting the opportunity for a possible tax deduction). This type of insurance protects both the property's income as well as the property.

### **Protecting Your Business**

Running a small business can be risky. Your death, disablement, sickness or injury could seriously risk the ongoing viability of your business. It is important to have plans in place for your family or partner, as well as your business.

Clearly there are three basic business protection needs to consider:

Asset protection – insuring your buildings, machinery, shops and materials

Revenue protection – insuring your revenue stream

Ownership protection – protecting the partners to ensure the continuous smooth running or ownership transfer of your business

It is best to speak to an expert who can structure the most appropriate insurance package to cater for the needs of your business.