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However, most of you might be confused by the wide array of insurance plans available that you are at a loss as to how you should go about in insurance planning. A simple way is to identify the major risks an individual faces and matching this risk with an appropriate insurance plan that help mitigate the risk. There are four major areas of risks a person faces as shown in the table.

You would need some life insurance if someone depends on you for their living expenses or you have some financial obligations, such as a housing loan or other debts. The key is to work out the

for a whole range of ailments from food poisoning, to surgery, from a short-term ailment to long-term medical treatment such as kidney dialysis. Thus, planning and choosing an appropriate medical insurance cover is very important.

A Self-completion Savings Programme

Another important advantage of Insurance is that it is a self-completion savings programme. Even when you lose your ability to earn an income, your savings programme need not be discontinued. All you have to do is to incorporate a waiver-of-premium benefit in your Insurance policy and you will have the peace of mind that in the event of total permanent disability, all future premiums are waived. Furthermore, the cash value of your policy continues to grow as the Insurer will help you complete your savings programme.

The Need for Protection varies

Depending on our financial condition and the life stage that we are at, our need for Insurance protection will vary. For instance, for young people, total and permanent disability (TPD) coverage may be a key issue, but as we get older, the critical issue will be the cost of major illness and long term care as the risk of illness usually increases with age. Thus it may be important to get lifetime coverage for critical illnesses (dread diseases) by getting Whole Life Insurance rather than Term Insurance plans. Such Whole Life Insurance plans may be supplemented by Term Insurance plans to give you higher coverage when your need for coverage against disability is higher in your younger days and lower coverage in the later years of your life.

As each person's financial situation is unique and tends to change over different stages of their lives. It would be advisable to seek the advice of a competent and knowledgeable advisor to help you structure a Insurance portfolio that meet your needs and aspirations, taking into consideration not only your current financial condition but also your future plans and needs. **EI**

Cause(s)	Type of Insurance	Type of Coverage
Death	Life Insurance	Family Income Needs
Disability	Disability Income Insurance	Disability Income Replacement Needs
Major Illnesses	Major Illnesses Coverage	Major Illnesses Contingency Fund
Accident & Medical Care	Long Term Care Insurance	Accident & Medical Insurance

amount of your financial commitments and the time frame of the financial commitments in order to decide how much insurance cover you require.

Insurance can protect your ability to earn an income

A second risk often overlooked is the need to provide for a replacement income in the event if you are not able to earn a living due to an illness or accident. If you think about it, other savings/investment programmes will only work if you are able to continue to earn an income. A disability can create greater financial strain than death as typically the person cannot earn an income yet he/she would incur additional expenses on top of his/her living expenses in the form of medical and other caregiving services as he/she might even need someone to take care of his/her daily needs such as bathing, moving, eating and other activities of daily living. To mitigate the risk of a disability, you should consider taking up disability income insurance.

The third area of risk is the risk of contracting a major illness such as cancer, heart disease or kidney failure. In Singapore, the top five diseases are cancer, heart disease, stroke, pneumonia and kidney failure, accounting for about 70 per cent of the deaths. Thus, some form of major illness cover would help in meeting the cost of medical treatment for such major illnesses.

Last but not least is the risk of accident and other medical needs. Other than major illnesses, a person might need medical care

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