

Renting in Australia and Why Life Insurance It Matters More Than You Think.

There is a common belief in Australia that life insurance is something you sort out when you buy a home. Before that moment, most renters give it little thought. But life insurance has never really been about property. It is about protecting the people who depend on your income.

***If you were gone tomorrow, what happens to the people who depend on you?
For renters, that question deserves exactly the same serious answer as it does for anyone else.***

Life Cover and Renting as a Couple. Two Incomes, One Safety Net

For couples who rent, two incomes make life comfortable. One income can suddenly make it precarious. The death of one partner leaves the survivor facing full rent payments and everyday living costs on a single income. There is no asset to sell and no financial buffer beyond whatever savings exist at the time.

Life insurance changes that equation. A lump sum payout gives the surviving partner the financial breathing room to grieve, to adjust and to make considered decisions.

Life Cover and Renting with Children. Stability When It Matters Most

For renting parents, the stakes are even higher. Children need stability in the same home, the same school, the same routines at exactly the time when everything else may feel uncertain. A life insurance payout gives the surviving parent the means to provide that stability. It covers rent, maintains the family's lifestyle and removes the financial pressure that would otherwise compound an already devastating situation.

Income Protection to Protect Your Income. Your Most Important Asset as a Renter

For renters, income protection is arguably the single most important insurance product you can hold. A renter's financial life is built almost entirely on their income. Unlike homeowners, renters have no asset to sell, no equity to draw on and no financial buffer beyond whatever savings exist at the time.

Income protection replaces up to 70 per cent of your income if you are unable to work due to illness or injury. Like a salary, it pays a regular monthly benefit to pay the rent, pay the groceries and bills while you focus on your recovery.

The most common causes of claims are not dramatic accidents. They are everyday conditions that can happen to anyone such as back and joint injuries, anxiety, depression, burnout and cancer. According to industry data, one in three Australians will be disabled for three months or more before the age of 65.

Total and Permanent Disablement if You Can Never Work Again?

Income protection covers a temporary inability to work. But what if the illness or injury is permanent? Total and permanent disablement cover, commonly known as TPD, pays a lump sum if you become permanently unable to work. For a renter, a TPD payout can fund long-term care costs, cover rent for an extended period and provide genuine financial stability.

Trauma Cover When a Diagnosis Changes Everything

A serious medical diagnosis does not always stop you from working immediately, but the financial impact can be immediate and significant. Trauma insurance pays a lump sum on diagnosis of a serious illness such as cancer, heart attack or stroke. For renters without savings or assets to draw on, a trauma payout covers rent, medical costs and living expenses while you focus on recovery.

How Much Cover Do Renters Need?

A practical framework to consider for life cover:

- Income replacement - how many years of income would your dependants need to get back on their feet?
- Rent obligations - how long would your family need support to cover rent while they adjust?
- Debts - car loans, personal loans and any other financial commitments
- Children's costs - school fees, childcare and the cost of raising children to independence
- Future goals - saving for a deposit, funding retirement or other goals that depend on your income

For income protection, most policies will cover up to 70 per cent of your current income paid as a monthly benefit. The key decisions are your waiting period (ie, how long before payments begin) and your benefit period (ie, how long the policy pays for if you remain unable to work). For renters with limited savings, a shorter waiting period and a longer benefit period may provide the strongest protection.

The Four Covers Every Renter Should Review

- ✓ **Life Cover** - provides a lump sum for your family to cover rent and living expenses if you die
- ✓ **Income Protection** - replaces your income if you cannot work to help keep the rent paid and bills covered
- ✓ **TPD Cover** - lump sum if you can never work again to fund long-term care and ongoing living expenses
- ✓ **Trauma Cover** - lump sum on diagnosis of a serious illness to cover rent, medical costs and recovery expenses

Taking the First Step

If you rent and you work, your income is everything. It pays the rent, funds your lifestyle and supports the people who depend on you. Yet most renters have little or no life insurance in place leaving themselves and their families exposed if something goes wrong.

The good news is that a brief conversation is all it takes to understand where you stand and what cover makes sense for your circumstances. A practical conversation to help you protect what matters most.

At Harbour Life Insurance, the approach is simple: education first, no jargon, and genuine support to help you make confident decisions about your life insurance options.

YOUR FUTURE, SAFELY ANCHORED

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